

port News, Va., protesting the tax on toilet goods and cosmetics; to the Committee on Ways and Means.

9658. Also, petition of Old Dominion Post, American Legion, of Norfolk, Va., protesting the proposed reduction in the Marine Corps; to the Committee on Naval Affairs.

9659. By Mr. LINDSAY: Petition of Vincent G. Litcher, Brooklyn, N. Y., opposing cut in appropriations for citizens' military training camps; to the Committee on Appropriations.

9660. Also, petition of Legislature of the State of New York, favoring proposals introduced by Senator WAGNER in the United States Senate, providing for seven significant changes in the relief law now being administered by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

9661. Also, petition of the National Committee on Education by Radio, Washington, D. C., opposing House bill 7716, a proposed amendment to the radio act of 1927; to the Committee on Merchant Marine, Radio, and Fisheries.

9662. By Mr. LONERGAN: Petition of Fleet Reserve Association of Bridgeport, Conn.; to the Committee on Ways and Means.

9663. Also, petition of Woman's Home Missionary Society of Kensington, Conn.; to the Committee on Interstate and Foreign Commerce.

9664. By Mr. MILLARD: Petition presented at the request of the members of the Nyack, N. Y., branch of the Woman's Christian Temperance Union; to the Committee on the Judiciary.

9665. By Mr. MURPHY: Petition by 23 citizens of Rogers, Ohio, and vicinity, urging opposition to any measure seeking to nullify the Constitution by legalizing beer, an intoxicating beverage; to the Committee on the Judiciary.

9666. By Mr. O'CONNOR: Resolution of the Legislature of the State of New York, urging enacting of Wagner bill to liberalize loans to States by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

9667. By Mr. ROBINSON: Letter urging support of and appropriations for national defense, signed by Lieut. Edward J. Brucher, Waterloo, Iowa, president department of Iowa Reserve Officers' Association of the United States; to the Committee on Appropriations.

9668. By Mr. RUDD: Memorial of the Legislature of the State of New York, favoring the proposals introduced by Senator ROBERT F. WAGNER in the Senate of the United States, providing for seven significant changes in the relief law, now being administered by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

9669. Also, petition of the National Committee on Education by Radio, with reference to the proposed amendment to the radio act of 1927, as contained in House bill 7716; to the Committee on Merchant Marine, Fisheries, and Radio.

9670. By Mr. SHREVE: Petition of Ethel Lowman and 26 other resident voters of Conneautville, Pa., urging the passage of the stop-alien amendment to the Constitution of the United States; to the Committee on the Judiciary.

9671. Also, protest filed by V. B. Eiler, H. H. Benedict, Jos. W. Grey, George B. Bauer, Louis Gould, W. C. Jones, A. H. Anderson, Warren A. Love, H. E. Whitford, Clarence W. Johnson, Victor O. Reed, R. T. Johnstone, R. C. Hollis, and Wm. N. Bennett, all veterans of the World War who saw active service, protesting against the elimination of the Citizens Military Training Camp and Reserve Officers Training Corps training camps; to the Committee on Appropriations.

9672. Also, petition of West Green Grange, No. 1296, Erie County, Pa., protesting against further foreclosures of farm mortgages, and asking that legislation be passed reducing interest rates on mortgages to 3½ or 4 per cent; to the Committee on Banking and Currency.

9673. By Mr. STEWART: Resolution of Linden, N. J., Chamber of Commerce, urging reduction of \$400,000,000 in expenditures now being made to veterans; to the Committee on World War Veterans Legislation.

SENATE

THURSDAY, JANUARY 19, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

The VICE PRESIDENT. The Senator from Wisconsin [Mr. BLAINE] has the floor.

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Wisconsin yield for that purpose?

Mr. BLAINE. I do.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	King	Sheppard
Austin	Davis	La Follette	Shipstead
Bailey	Dickinson	Lewis	Shortridge
Bankhead	Fess	Logan	Smith
Barbour	Fletcher	Long	Smoot
Bingham	Frazier	McGill	Stelwer
Black	George	McKellar	Stephens
Blaine	Glass	Metcalf	Swanson
Borah	Glenn	Moses	Thomas, Idaho
Bratton	Goldsborough	Neely	Thomas, Okla.
Brookhart	Gore	Norbeck	Townsend
Broussard	Grammer	Norris	Trammell
Bulkley	Harrison	Nye	Tydings
Bulow	Hastings	Oddie	Vandenberg
Byrnes	Hatfield	Patterson	Wagner
Capper	Hawes	Pittman	Walcott
Caraway	Hayden	Reed	Walsh, Mass.
Connally	Howell	Reynolds	Walsh, Mont.
Coolidge	Hull	Robinson, Ark.	Watson
Copeland	Johnson	Robinson, Ind.	Wheeler
Costigan	Kean	Russell	White
Couzens	Kendrick	Schall	
Cutting	Keyes	Schuyler	

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 559) to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the committee on inaugural ceremonies on the occasion of the inauguration of the President elect in March, 1933, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 4095) to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913, as amended (U. S. C., title 18, secs. 409-411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars, while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken, and it was subsequently signed by the President pro tempore.

FOREIGN DEBTS

Mr. ROBINSON of Indiana. Mr. President, I desire to announce that to-morrow, as soon as the Senate convenes or as soon thereafter as I can obtain the floor, I expect to address the Senate briefly on the subject of foreign debts in general and the Johnson bill in particular, which undertakes to prohibit the sale of securities of defaulting nations in this country.

FINAL ASCERTAINMENT OF ELECTORS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, pursuant to law, copy of the certificate of the Governor of Tennessee of the final ascertainment of electors for President and Vice President in the State of Tennessee at the election of November 8, 1932, which was ordered to lie on the table.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Senate of the State of Nebraska, which was referred to the Committee on Finance, as follows:

Resolution respecting bimetallic currency

Whereas there is pending in the Congress of the United States a bill to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, and to provide for the free coinage of silver, and for other purposes; and

Whereas it is the sense of this State that the needs of the citizens of Nebraska and of the United States will be best served under present economic conditions by some sound system of inflating the currency: Now, therefore, be it

Resolved by the Senate of the State of Nebraska in forty-ninth regular session assembled, That we hereby memorialize and petition the United States House of Representatives and the United States Senate to consider favorably the Wheeler bill (S. 2487) now referred to and in the hands of the Committee on Finance of the United States Senate, to the end that relief may be afforded to those States of the Union in which silver is mined in order that price of silver may be normally stabilized; that the aspects of the silver question be dealt with in so far as legislation is concerned as a necessary commodity as well as a monetary problem.

2. That certified copies of this resolution be sent to the Vice President of the United States, the Speaker of the House of Representatives, and each of the United States Senators and Representatives from Nebraska.

Introduced January 12.

Adopted January 13.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Agriculture and Forestry, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF STATE,
January 16, 1933.

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original instrument in my office of Resolution 3, re: farmers' farm relief act, commonly called the Frazier bill, as passed by the 1933 session of the Minnesota Legislature, and that said copy is a true and correct transcript of said instrument and of the whole thereof.

In testimony whereof, I have hereunto set my hand and affixed the great seal of the State, at the capitol, in St. Paul, this 16th day of January, A. D. 1933.

[SEAL.]

MIKE HOLM, Secretary of State.

A concurrent resolution memorializing the President of the United States and the Congress of the United States that it is the sense of the members of the Minnesota Legislature that the Government of the United States should perform its solemn promise and duty and place American agriculture on the basis of equality with other industries by providing an adequate system of credit, and that adequate legislation to that end should be adopted at the earliest possible date.

Whereas the farmers throughout the entire United States have lost and are losing their lands and chattels through inability to refinance loans on their property because of high interest rates and low prices of agricultural commodities; and

Whereas agriculture is the basic industry of this country and there can be no sound business prosperity unless the business of agriculture is placed on a sound basis and on an equal basis with other industries; and

Whereas a bill has been introduced in the Senate of the United States, known as the farmers' farm relief act, commonly called the Frazier bill, and

A bill to liquidate and refinance agricultural indebtedness, and to encourage and promote agriculture, commerce and industry, by establishing an efficient credit system, through which the unjust and unequal burdens placed upon agriculture, during the period of price fixing and deflation, may be lightened by pro-

viding for the liquidation and refinancing of farm mortgages and farm indebtedness at a reduced rate of interest through the Federal farm loan system, the Federal reserve banking system, and the postal savings depository system, and creating a board of agriculture to supervise the same; and

Whereas this bill is a sound economic measure designed to remedy the inequalities under which agriculture is now laboring: Now, therefore, be it

Resolved, by the House of Representatives of the State of Minnesota (the Senate concurring), That the Congress of the United States be and it is hereby urgently petitioned to enact the said bill into law, and that the President of the United States be urged to approve said measure after its passage; be it further

Resolved, That the Minnesota Members of the United States Senate and the Representatives in Congress from the State of Minnesota be and they are hereby petitioned and most earnestly urged to use their best efforts to bring about a speedy enactment of said legislation; be it further

Resolved, That a duly authenticated copy of this resolution be presented to the President of the United States, to the presiding officers of the Senate and of the House of Representatives of the Congress of the United States, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

CHAS. MUNN,

Speaker of the House of Representatives.

K. K. SOLBERG,

President of the Senate.

Passed the house of representatives the 9th day of January, 1933.

FRANK T. STARKEY,

Chief Clerk, House of Representatives.

Passed the senate the 11th day of January, 1933.

G. H. SPAETH,

Secretary of the Senate.

Approved January 14, 1933.

FLOYD B. OLSON,

Governor of the State of Minnesota.

Filed January 16, 1933.

MIKE HOLM,

Secretary of State.

The VICE PRESIDENT also laid before the Senate a resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry, as follows:

Memorial to the members of State legislatures urging State legislatures to memorialize Congress to pass Senate bill 1197, known as the Frazier bill

Senate Resolution No. A-1 (introduced by Senator Fine and Senator Greene)

Be it resolved by the Senate of the State of North Dakota (the House of Representatives concurring), That—

Whereas a crisis exists and hundreds of thousands of once prosperous farmers in this Nation have already lost their homes and their all by mortgage foreclosures because of the fact that the price of agricultural products has for years been below the cost of production, a condition that affects all of the people of this Nation, and is largely responsible for the continuance of the depression; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors; and

Whereas unless immediate relief is given thousands and hundreds of thousands of additional farmers will lose their farms and their homes and millions more will be forced into our cities and villages and the army of unemployed will necessarily increase to alarming proportions, precipitating a condition that threatens the very life of this Nation; and

Whereas the State Legislatures of Montana, North Dakota, Minnesota, Wisconsin, and Illinois have each and all memorialized Congress to pass Senate bill No. 1197, known as the Frazier bill, without delay, which bill provides that existing farm indebtedness shall be refinanced by the Government of the United States at 1½ per cent interest and 1½ per cent principal on the amortization plan, not by issuing bonds, and plunging the Nation further into debt, but by issuing Federal reserve notes, the same as the Government now does for the banks through the Federal reserve bank: Now, therefore

The Legislative Assembly of the State of North Dakota respectfully requests and petitions the legislatures of the other States that have not already done so to memorialize Congress to pass Senate bill 1197 without delay in order that the agricultural indebtedness of this Nation may be speedily liquidated and refinanced and agriculture saved from utter ruin and destruction and this depression brought to an intelligent and speedy end, and respectfully requests that the State legislatures cause copies of such memorial, after same has been passed, to be sent to the President of the United States, to the President of the Senate and the Speaker of the House, to Senator FRAZIER, at Washington, D. C., and to WILLIAM LEMKE, Congressman elect, at Fargo, N. Dak.; be it further

Resolved, That the secretary of state cause sufficient copies of this resolution to be printed and that he cause to be mailed a

copy to the president of the senate and the speaker of the house of each of the 43 States that have not as yet memorialized Congress to pass Senate bill 1197, requesting that said resolution be read before each of said bodies.

OLE H. OLSON,
President of the Senate.
SIDNEY A. PAPKE,
Secretary of the Senate.
MINNIE D. CRAIG,
Speaker of the House.
JAMES P. CURRAN,
Chief Clerk of the House.

[SEAL.]

The VICE PRESIDENT also laid before the Senate a resolution adopted by the council of the city of Chicago, Ill., opposing the transfer of river and harbor work from the jurisdiction of the Secretary of War, under the Corps of Engineers of the Army, to another department, which was referred to the Committee on Appropriations.

He also laid before the Senate a communication from C. C. McCarty, of Pueblo, Colo., addressed to the Senate and House of Representatives, making certain suggestions relative to economic conditions, banking, the eighteenth amendment, the Philippines, the Navy, foreign relations, etc., which was ordered to lie on the table.

Mr. KEAN presented letters and telegrams in the nature of memorials from sundry banks in the State of New Jersey remonstrating against the practice of giving publicity to loans made by the Reconstruction Finance Corporation, which were referred to the Committee on Banking and Currency.

Mr. KING presented a memorial of sundry citizens of the States of Utah, Nevada, and Wyoming, remonstrating against the existing tax upon toilet goods and cosmetics, which was referred to the Committee on Finance.

Mr. BLAINE presented memorials of sundry citizens of Marshfield, Wis., remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. GOLDSBOROUGH presented resolutions adopted by the Cumberland (Md.) preachers' meeting, representing the Methodist Episcopal Churches of western Maryland and the Keyser-Piedmont districts of West Virginia, protesting against the passage of House bill 13312, legalizing the manufacture and sale of beer and other fermented liquors, etc., which were ordered to lie on the table.

He also presented a resolution adopted by Westport Post, No. 33, the American Legion, of Baltimore, Md., opposing any reduction or cancellation of veterans' benefits or the injection of a pauper clause in any law governing such benefits to World War veterans, which was referred to the Committee on Finance.

Mr. TYDINGS presented the petition of the Parent-Teacher Association, Takoma-Silver Spring High School, Takoma Park, Md., praying for the passage of legislation to regulate the motion-picture industry, which was ordered to lie on the table.

He also presented a resolution adopted by Westport Post, No. 33, the American Legion, of Baltimore, Md., opposing any reduction or cancellation of veterans' benefits or the injection of a pauper clause in any law governing benefits to World War veterans, which was referred to the Committee on Finance.

Mr. CAPPER presented petitions numerous signed of sundry citizens of Columbus and Kansas City, and of Douglas, Franklin, and Greenwood Counties, all in the State of Kansas, remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

He also presented resolutions adopted by the Woman's Christian Temperance Union of Hoisington, the Woman's Christian Temperance Union of McLouth, and the congregation of the First Methodist Episcopal Church of Wathena, all in the State of Kansas, protesting against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. ROBINSON of Arkansas presented a letter from T. J. Spellacy, Esq., of Hartford, Conn., in relation to the tax on lubricating oil, which was referred to the Committee on Finance.

He also presented a letter from B. G. Pasco, of Zenoria, La., relative to the restoration of price levels and a sound currency, which was referred to the Committee on Banking and Currency.

He also presented a telegram from A. C. Cobb, president of the Helena (Ark.) Cotton Exchange, in relation to cotton and the domestic allotment plan, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter from the manager of the Regional Agricultural Credit Corporation, of St. Louis, Mo., in relation to farm relief, especially as to farm-mortgage indebtedness, which was referred to the Committee on Agriculture and Forestry.

Mr. COPELAND presented memorials of sundry citizens of Beaver Dams, Catlin, Horseheads, and Owego, all in the State of New York, remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also presented memorials of the Woman's Christian Temperance Union and sundry citizens of Pulaski, N. Y., remonstrating against the passage of legislation to legalize liquors with a stronger alcoholic content than one-half of 1 per cent, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens (letter carriers) of Endicott, N. Y., remonstrating against the continuance of the economy act or further salary reductions, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Schenectady (N. Y.) Chamber of Commerce, protesting against participation by the Government in any part of the expense of the construction of the proposed Great Lakes-St. Lawrence waterway project, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Washington Democratic Club, of Fort Hamilton, Brooklyn, N. Y., indorsing the "Buy American" movement, which was referred to the Committee on Commerce.

He also presented a resolution adopted by the Thirty-second Annual Convention of the New York State Association of Chiefs of Police, held at Utica, N. Y., favoring the passage of legislation providing for the taking of foot and finger prints of infants and children for identification purposes, which was referred to the Committee on the Judiciary.

Mr. GRAMMER presented resolutions adopted by the Tacoma (Wash.) Chamber of Commerce, favoring the passage of legislation to equalize the depreciation of foreign currencies, etc., which were referred to the Committee on Finance.

Mr. WAGNER presented a concurrent resolution of the Legislature of the State of New York, favoring the passage of the so-called Wagner bill, providing unemployment relief through the Reconstruction Finance Corporation, etc., which was referred to the Committee on Banking and Currency.

(See concurrent resolution when laid before the Senate by the Vice President on the 18th instant, and printed in full, p. 2027, CONGRESSIONAL RECORD.)

GREAT LAKES-ST. LAWRENCE WATERWAY PROJECT

Mr. WAGNER presented resolutions adopted by the Schenectady (N. Y.) Chamber of Commerce, which were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

SCHENECTADY, N. Y., January 14, 1933.

HON. ROBERT F. WAGNER,
Senate Chamber, Washington, D. C.

DEAR SIR:

Resolved, That the Schenectady Chamber of Commerce is opposed to participation by the United States Government in any part of the expense of the construction of the proposed Great Lakes-St. Lawrence waterway project. Some of the outstanding reasons for this opposition are as follows:

1. The United States' share of the cost is grossly out of proportion to its share in potential and actual benefits expected to be derived from the project.

2. That all estimated earnings so far submitted appear to be insufficient to meet the operating charges of the project; no revenue, therefore, being available for interest and amortization on initial cost.

3. That the waterway, if built, will not be used by ocean-going vessels to the extent and manner anticipated by its proponents, as experience in water transportation plainly demonstrates that long channels, restricted in width and depth, are not used to any appreciable extent by ocean-going vessels.

4. That the project as a water transportation facility will have a limited season of usefulness, as it would be closed to navigation for over five months of each year.

5. That the construction of this waterway would be most detrimental to New York State, the citizens of which would have to contribute an unjustly large share of its cost in proportionate taxation, and in that it would detract from the useful service now performed by the New York State Barge Canal, in which over \$200,000,000 has been invested; and would transfer to a foreign port much of the business originating in the United States and now rightfully and economically handled at the ports of Albany and New York.

6. That the hydroelectric energy to be incidentally produced therewith is not necessary for and could not be marketed profitably in the area of the United States which could be served, and in any event, rightfully belongs to the State of New York.

7. That the hydroelectric energy derived as a by-product of the project could be used in the United States territory only in direct competition with private development now serving this area, which would mean a serious and unwarranted curtailment of private enterprise by the Government.

8. That the funds of the United States Government should not be invested in an inland waterway lying largely outside the boundary of the United States, as in the event of the United States being involved in war it would not be permitted to use this waterway at a time when transportation facilities would be most needed; and finally

9. That the construction of this waterway in the manner proposed by the treaty would be an unjust and wasteful use of the public funds of the United States, particularly inexcusable in the present period of financial distress; and be it further

Resolved, That the president and managing director of the Schenectady Chamber of Commerce is authorized and directed to send copies of this resolution to the President elect of the United States and the Senators and Representatives of New York State.

SCHENECTADY CHAMBER OF COMMERCE,
MALCOLM J. WILSON, Manager.

AGRICULTURAL RELIEF

Mr. GRAMMER. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, an article by Mr. H. B. Creel, of Seattle, Wash., on the subject of a cure for farm ills. I understand that Mr. Creel's grasp of the economic phases of agriculture is so complete and understanding, his analyses and recommendations are entitled to more than passing consideration.

There being no objection, the article was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

CURE FOR FARM ILLS REALLY VERY SIMPLE By H. B. Creel

[EDITOR'S NOTE.—Plight of agriculture is a focal point of economic dislocation in United States. Around it revolve a considerable part of the current misconceptions, relief lunacies, and witchcraft cures. Farmer and businessman, banker and student of economic trends will find in this analytical article by Pacific Northwest's foremost agricultural economist much to clarify a situation which affects all of us. Business Chronicle readers will have the benefit of Mr. Creel's clear thinking quite often during 1933.]

It is time for somebody to take a sane view of our wheat situation.

Abnormal demand due to the World War not only diverted much acreage from other crops but caused the plowing up of some 18,000,000 acres of new land in the United States to be sown in wheat. Other countries made a similar expansion.

Wheat acreage in United States, 1909 to 1929, increased by 17,202,000 acres; wheat acreage in Europe and Russia, 1926 to 1932, increased by 58,626,000 acres.

The four wheat-exporting nations—United States, Canada, Argentina, and Australia—will have—

	Bushels
For export this year.....	1,300,000,000
Market needs.....	700,000,000
Surplus.....	600,000,000
United States will have on hand July 1.....	400,000,000
1933 crop to be added, probably.....	800,000,000
	1,200,000,000

	Bushels
United States production, 1931.....	892,271,000
Net exports, 1931.....	112,427,000
Left at home.....	779,844,000

Italy, France, and Germany are now self-sustaining in wheat. Formerly heavy buyers.

Price of wheat at Colfax, Wash., December 30, 1932, was 22 cents for No. 1 white.

Financial journals December 21 announced that United States prices are 10 cents above world level.

Do not these figures effectively demonstrate that the day is past for us to maintain the production of wheat for export? If there is one single mathematical fact in the political uncertainty beyond dispute, it is that the continued use of Federal funds for that purpose is criminal waste.

Farm Board.....	\$500,000,000
Seed loans.....	121,000,000
Proposed allotment plan.....	180,000,000

Of the seed loans, \$35,000,000 have been repaid, but the crops brought less than cost; so that the money might have been better expended in paying the farmers to remain idle.

For this condition the farmer is not alone to blame. During and after the war he was urged to produce more and more. The Grain Corporation handled his wheat and made a profit of \$58,000,000 which was turned into the United States Treasury, though the increased cost left the grower little profit. Bankers would give credit to the wheat grower ahead of any other farmer. The Federal appropriations were all adapted for one single result, to encourage continued production; hence, only aggravating the trouble instead of curing it.

In 1890 the Farmers' Alliance advocated reduction of wheat production. In 1933, upward of a half century later, the same doctrine is preached and, contrariwise, more wheat produced.

The only purpose of this article is to point out the folly of continuing to produce more wheat than we need for home consumption; but it will be met with the demand for a remedy. Having pointed out that every bushel of wheat is either taking money out of the farmer's pocket or increasing his indebtedness, that should be sufficient; but since the present mental condition of the whole American people favors smoke screens rather than landmarks, and discards economic planets to chase comets or rainbows, it must be carried to a practical conclusion.

To the question, "What can we do but raise wheat?" the first answer is, In raising wheat under present conditions you are only paying for the privilege of working for nothing and boarding yourself and help.

"But we can not quit wheat!" That's what the former generation said about raising horses and several other things. We can quit any business when it has lost enough to call in the sheriff. Nevertheless, the farm home is the essential foundation of our national existence and must be preserved at any cost. If the farming industry can not survive without a Government subsidy let it be applied to produce the best results. If a farmer is helplessly breaking down under the load of interest and taxes, Federal funds may profitably be used to give him an extension of time until conditions improve.

Investors in stocks and bonds have been compelled to charge off a large part of their capital account, reaching up to 80 or 90 per cent. If standard securities representing the Nation's industrial plant have so depreciated, why expect the Nation's agricultural plant to maintain its paper at par? The British Empire is unable to do so.

At peak of the boom in 1929, measured by Dow-Jones averages, industrial stocks sold on New York Stock Exchange at 381.17; deflation carried this average down to 41.22 in 1932. This was a shrinkage in market value of \$339.95 a share.

To make a more direct comparison: Suppose an investor for income had \$30,000 in July, 1929, buying \$10,000 of stocks, \$10,000 of bonds, and loaning \$10,000 for three years on a farm mortgage. In January, 1933, he is compelled to liquidate; the farmer is held for principal and interest in full, but look at the depreciation the investor had to take on his securities.

If the subsidy had been used to enable the grower to sow half his wheat land in clover or grass until the accumulated surplus had been consumed, the financial burden to the Treasury would have been less, the farmer's overhead expenses have been reduced, the price of wheat raised, and the fertility of the soil increased. Hogs at present prices may lose money if fed in a pen, but given grain while on clover pasture will make 15 pounds of pork out of every bushel and enrich the land. The wheat is a dead loss, the clover insures future gain.

In the last 21 years we have increased our crop area in the United States 55,000,000 acres. Most of that means plowed land. We have also decreased the work stock—horses and mules—which consumed the product of some 25,000,000 to 30,000,000 acres more, now thrown on an already glutted market. Thus, while we have a small relative population increase, and our foreign demand is decreasing, we have added 80,000,000 to 85,000,000 to our crop acreage. At the same time we are importing agricultural products, overgrazing our forest reserves, and crowding our stock raisers out of business. They also complain of low prices. They could produce meat even below present prices if done on grass instead of plow land.

In the Ohio Valley, from 1870 to 1900, cattle rarely brought the farmer more than 3 cents per pound for beef. We received no

Federal aid when they went lower; but the standing of a farmer even then was determined by the amount of grass he had. The most successful English farmers in the last century raised beef on grass and finished it on imported grain. They bought most of our oil cake. The same was true of the outstanding leaders of agriculture in Virginia, Kentucky, New York, and Pennsylvania. The land on which they made money with grass has been plowed until most of the cream has been washed off and carried into the Gulf of Mexico, and their descendants are trying to lift themselves by their own boot straps with Federal aid.

A late report on a county in southeastern Ohio, where I formerly lived, states that three out of four hill farms have been abandoned. Yet there was one man in the very poorest district living in comfort if not in luxury, and on his farm wheat yield rarely fell below 30 bushels per acre or corn below 80, though adjoining land on every side produced only a sparse growth of sassafras, saw briers, and broom sedge. Clover did it, for his was an abandoned farm he brought back to fertility. Senator Ingalls described grass as the expression of nature's forgiveness. This generation of Americans needs that forgiveness if they are not to go down into history with Attila the Hun, who boasted that grass never grew where the hoofs of his horses had trod.

Judging from debates in the present Congress the former routine will be repeated. Appropriate some public money to raise more wheat, to lose more money, to get another appropriation, to raise more wheat, to lose still more money—until everybody will be compelled to borrow money to pay his income tax.

The farmers have been punished by world conditions; but there is worse to come. They have been buncoed by leaders and misleaders into voting property off the tax rolls or allowing the cities to do so, loading the burden back on the land until Henry George's aim of "taxing land up to the full rental value" is well nigh accomplished.

It is significant that Seattle and Tacoma, held up as shining examples of the benefits of municipal ownership of utilities, have also the highest tax rate in cities of their class.

Seattle has more than \$100,000,000 off the tax rolls. City Light claims a plant worth \$50,000,000, \$20,000,000 reinvested in plant out of earnings, and a saving of \$10,000,000 annually to customers, and earned surplus of \$12,000,000. But City Light can pay no share of the taxes, and now must have aid from the Reconstruction Finance Corporation! Still, they persuaded the farmers of Washington and Oregon in 1930 to put over a bill to take all the other power plants off the tax rolls—and at a time when every county in both States is taking over land delinquent for taxes.

In 1924 I was shown a farm in Whatcom County that rented for \$400, taxes \$450. The owner of a finely improved quarter section in Skagit County was offered \$50,000 in 1919. In 1924, after paying taxes, he had left \$73 for rent. How much interest could he pay?

Instead of throwing more good money after bad, why not pay \$5 per acre bonus to put 50,000,000 acres back into grass? That will cost only \$250,000,000, and add a large amount to value of crops on remainder—cheaper than allowing it to be used for wheat growing until the farmer and his family must be given a direct dole.

Department of Agriculture very properly urges return to farming as a subsistence instead of a speculation; but at least 50,000,000 acres are speculative and should be returned to grazing.

Some enthusiastic rainbow chaser is ready to scream: "But how will that help the fruit grower?" It will not help the fruit grower. He has elected to put all his eggs in one basket—an expensive one—and must take what comes; but it is silly to reject the most immediate and practicable relief because it does not regulate the universe.

Reforestation of these marginal lands would cost ten times as much as restoration to grass, and would not admit of future use if required for crops. Kansas, Nebraska, and Minnesota alone could lift the burden if they would cut wheat acreage in half for the next three years. It is impossible to get exact figures but it seems safe to say that every bushel of wheat raised east of Missouri River points in 1930 represented a net loss of 25 to 50 cents.

What about corn, cotton, pork, and tobacco? We can eat a lot more corn and pork. If the women take to wearing clothes again, that will make a market for cotton. I don't use tobacco. Let's cure one ailment at a time.

There have been individuals who were good farmers but only one class of real farmers—the Pennsylvania Dutch. Whether they have also been corrupted I am unable to say, but no plea for Federal aid has come from Lancaster County, Pa. Their system differed from the average American system of change and extreme waste in three outstanding rules:

1. They bought land to keep—not as a speculation.
2. They bought nothing that could be produced at home and wasted nothing.
3. They bought only when they had the money to pay. The States which have made greatest departure from these essentials are also making loudest plea for aid for farmers.

What do the farmers need?

First. They need a United States chamber of agriculture which will speak with one authoritative voice and make the farmer feel that he is on a level with American Bankers' Association, National Association of Manufacturers, American Federation of Labor, or any other organized group. For this lack the farmers themselves are solely responsible.

Second. The farmers need to be saved from themselves and the consequences of their own errors. In this they are not alone.

They have made mistakes; but compared with the eminent financiers, the captains of industry, the massive intellects, the forward-looking statesmen, and the scientific investigators, they are a monument of wisdom. As one of the family I can admit that the farmer has not much sense but he has about the entire visible supply.

"Of fools the world has such a store
That he who would not see an ass
Must hide at home and lock his door
And break his looking-glass."

The farmer can take care of his enemies if somebody will save him from his fool friends.

They are "liberal"—with his coin.

They have taught him "progress"—toward bankruptcy.

Two prominent articles in the Country Gentleman for this month show that we are regaining sanity.

If Congress can not clean up the mess, give the 4-H clubs a chance.

THE NATIONAL DEFENSE

Mr. BINGHAM. Mr. President, I have received from the secretary of state of the State of Connecticut a joint resolution adopted by the general assembly relating to national defense, which I ask may be printed in the RECORD and appropriately referred.

The VICE PRESIDENT. Under the rule, the joint resolution will be printed in the RECORD and referred to the Committee on Appropriations.

The joint resolution is as follows:

STATE OF CONNECTICUT, SECRETARY'S OFFICE,
Hartford, January 18, 1933.

HON. HIRAM BINGHAM,

United States Senator, Washington, D. C.

DEAR SIR: I have the honor to transmit to you a copy of a senate joint resolution, No. 35, passed by our general assembly here in Connecticut on the 17th day of January, 1933, and transmitted as directed by such general assembly.

Respectfully yours,

JOHN A. DANABER, Secretary.
By ELMER H. LOUNSBURY,
Deputy Secretary of State.

STATE OF CONNECTICUT,
OFFICE OF THE SECRETARY.

Senate Joint Resolution 35, memorializing Congress concerning national defenses

GENERAL ASSEMBLY,
January Session, A. D. 1933.

Resolved by this assembly—

Whereas the Congress of the United States enacted in 1920 the national defense act, which provided the first well-coordinated system of national defense which this Nation has ever had; and

Whereas during the intervening years curtailment in this program has been made and meanwhile our Navy has not been maintained at anywhere near "treaty strength," and our Regular Army has been subjected to consistent reductions until to-day our defense forces have reached the irreducible minimum consistent with national security; and

Whereas at the present time efforts are being made to effect a still further curtailment through the reduction or entire elimination of the United States Marine Corps, reduction in the Regular Army, the elimination of the citizens' military training camps, the elimination of the Junior Reserve Officers' Training Corps, and substantial reduction in the training programs of the Officers' Reserve Corps, the Reserve Officers' Training Corps, the National Guard, and the Naval Militia; and

Whereas the State of Connecticut has always been throughout its entire history, first as a colony and later as a State, a firm believer in national preparedness, which belief it has always backed by its acts and the deeds of its citizens in times of emergency: Therefore be it

Resolved, That the General Assembly of the State of Connecticut in regular session assembled deprecates the attempts now being made to reduce further our national defense and respectfully urges upon the Congress of the United States that no further reduction be made at this time; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, to the chairmen of the Committees on Appropriations, Military, and Naval Affairs in the respective Houses of the Congress, and to our Senators and Congressmen.

State of Connecticut, passed by senate January 17, 1933.

State of Connecticut, passed by house of representatives January 17, 1933.

GOVERNMENT PURCHASE OF AMERICAN GOODS

Mr. DAVIS. Mr. President, I desire to present a letter from Matthew Woll, president of America's Wage Earners' Protective Conference, urging that public funds be spent only for articles or commodities which are of the growth, production, or manufacture of American labor. I ask that it may be printed in the RECORD.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

AMERICA'S WAGE EARNERS' PROTECTIVE CONFERENCE,
New York City, January 6, 1933.

HON. JAMES J. DAVIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In the midst of the misery and suffering now existent among the millions of America's unemployed workers our national spirit has seemingly been aroused and the cry throughout our country is, "Help put America's workers again at work—buy American."

The Congress two years ago heeded our request made at that time and inserted in some of the appropriation bills a requirement that public funds be spent only for articles or commodities which are of the growth, production, or manufacture of American labor. Last year this requirement was inserted in several of the appropriation bills.

This year we respectfully ask that this requirement be inserted in all of the appropriation bills.

The insertion of this requirement in the appropriation bills of last year provided employment for many thousands of America's workers who otherwise would have been unable to secure employment.

The continuance of this policy and extending it to all purchases made by or with moneys appropriated by the Congress will provide employment for America's workers and will contribute greatly toward the elimination of our present depression by providing a purchasing power which otherwise would go to workers in foreign lands.

We sincerely trust that you, as a member of the Senate Appropriations Committee, will insist on this requirement being inserted in all of the appropriation bills.

Respectfully yours,

MATTHEW WOLL, President.

RESTORATION OF PRICE LEVEL OF AGRICULTURAL PRODUCTS

Mr. DAVIS. Mr. President, I desire to present a letter I have received from the Farmers' Mutual Fire Insurance Co. of Tuscarora, dated Wyalusing, Pa., January 15, 1933, together with a resolution accompanying the letter. I ask that the letter and the resolution may be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the letter and the accompanying resolution were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

FARMERS' MUTUAL FIRE INSURANCE CO. OF TUSCARORA,
Wyalusing Pa., January 15, 1933.

HON. JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SIR: I am inclosing a very important resolution passed by about 200 representative men of Bradford County at the annual meeting of the Farmers' Mutual Fire Insurance Co. of Tuscarora, held at Spring Hill Community Hall January 9, 1933.

I am hoping this will have your consideration and you will do all in your power to help the condition of the farmers in this great country of ours.

Yours very truly,

R. L. BLOCHER,
Secretary Insurance Co.

Resolution passed at Farmers' Mutual Fire Insurance Co.'s annual meeting

Resolved, We, the members of the Farmers' Mutual Fire Insurance Co. of Tuscarora, in session assembled, deem it necessary, if the farmers' interest obligations are to be met, that the price level of agricultural products be raised to the price level at which the mortgages and debts were made.

We therefore earnestly beseech you, our representatives of legislation and Congress, to take such steps in changing our monetary system that will restore the price level of agriculture products to the level of those of from 1921 to 1929.

REPORTS OF COMMITTEES

Mr. BRATTON, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 5325) for the relief of Sadie L. Kirby, reported it without amendment and submitted a report (No. 1088) thereon.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (S. 5283) authorizing the Secretary of the Navy to make available to the municipality of Aberdeen, Wash., the U. S. S. *Newport*, reported it without amendment and submitted a report (No. 1097) thereon.

Mr. TYDINGS, from the Committee on Naval Affairs, to which was referred the bill (S. 1011) for the relief of William E. B. Grant, reported it with an amendment and submitted a report (No. 1089) thereon.

Mr. WALSH of Massachusetts, from the Committee on Naval Affairs, to which was referred the bill (S. 3493) for the relief of Grant MacInnes, reported it without amendment and submitted a report (No. 1090) thereon.

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (H. R. 10743) to require the purchase of domestic supplies for public use and the use of domestic materials in public buildings and works, reported it with amendments and submitted a report (No. 1091) thereon.

Mr. GRAMMER, from the Committee on Commerce, to which was referred the bill (H. R. 11930) to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods, reported it without amendment and submitted a report (No. 1092) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 13372. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S. C. (Rept. No. 1093);

H. R. 13743. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Tiskilwa, Ill. (Rept. No. 1094);

H. R. 13744. An act granting the consent of Congress to the State of Illinois to construct, maintain, and operate a free highway bridge across the Illinois and Mississippi Canal near Langley, Ill. (Rept. No. 1095); and

H. R. 13852. An act to extend the times for commencing and completing the construction of a bridge across the Rock River, south of Moline, Ill. (Rept. No. 1096).

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHEELER:

A bill (S. 5454) for the relief of A. Keith McMurdo; to the Committee on Claims.

By Mr. BARBOUR:

A bill (S. 5455) for the relief of Harry Thomas; to the Committee on Claims.

By Mr. WALSH of Montana:

A bill (S. 5456) to extend the provisions of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen," approved May 13, 1932, to desert-land entrymen; to the Committee on Public Lands and Surveys.

By Mr. BINGHAM:

A bill (S. 5457) to provide a civil government for the Virgin Islands of the United States; to the Committee on Territories and Insular Affairs.

By Mr. TYDINGS:

A bill (S. 5458) to provide revenue for the District of Columbia by the taxation of beer, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 5459) amending section 112 of the United States Code, Annotated book 28; subtitle "Civil suits; where to be brought"; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 5460) for the relief of the Southern Products Co.; to the Committee on Claims.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 235) amending provisions in river and harbor laws relating to local cooperation in the prosecution of waterway improvements; to the Committee on Commerce.

By Mr. CAPPER:

A joint resolution (S. J. Res. 236) to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies in 1933; to the Committee on the District of Columbia.

THE BANKING ACT—AMENDMENTS

Mr. BYRNES submitted an amendment intended to be proposed by him to Senate bill 4412, which was ordered to be considered as read, to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 44, beginning with line 20, to strike out all through line 8, page 45, and insert in lieu thereof the following new paragraph:

"(c) A national banking association may establish and operate new branches within the limits of the city, town, or village, or at any point within the State, in which said association is situated, if such establishment and operation by State banks are not at the time expressly prohibited by the law of the State in question. No such association shall establish a branch outside of the city, town, or village in which it is situated unless it has a paid in and unimpaired capital stock of not less than \$500,000."

Mr. BULKLEY submitted three amendments intended to be proposed by him to Senate bill 4412, which were ordered to be considered as read, to lie on the table, to be printed, and to be printed in the RECORD, as follows:

Wherever the phrase "banking act of 1932" occurs, amend to read "banking act of 1933."

On page 35, line 7, to strike out the word "hereafter," and after the word "purchased" insert "after this section as amended takes effect."

On page 35, line 14, to strike out the word "hereafter," and after the word "purchased" insert "after this section as amended takes effect."

Mr. NORBECK submitted an amendment intended to be proposed by him to Senate bill 4412, which was ordered to be considered as read, to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 45, after line 8, insert the following:

"Provided, That in States with a population of less than 1,000,000, and which have no cities located therein with a population exceeding 100,000, the capital shall be not less than \$250,000."

Mr. THOMAS of Idaho submitted an amendment intended to be proposed by him to Senate bill 4412, which was ordered to be considered as read, to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 40, line 3, after the word "after," to strike out the words "July 1, 1935" and insert the words "five years after the enactment of the banking act of 1933."

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to Senate bill 4412, which was ordered to be considered as read, to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 10, to strike out lines 1, 2, and 3 and insert the following:

"SEC. 6. (a) The first paragraph of section 10 of the Federal reserve act is hereby repealed, provided that the present members of such board shall serve until their successors have been selected and qualify."

Mr. WALSH of Montana submitted an amendment intended to be proposed by him to Senate bill 4412, which was ordered to be considered as read, to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 36, line 6, to strike out the word "general."

GOVERNMENT PURCHASE OF AMERICAN GOODS

Mr. WALSH of Massachusetts. Mr. President, I desire to submit several amendments to the bill H. R. 10743, which has passed the House and I understand will be reported favorably by the Committee on Commerce to the Senate, and also to submit a statement in explanation thereof, all of which I ask may be printed in the RECORD and appropriately referred.

There being no objection, the House bill, the statement, and amendments were ordered to lie on the table and to be printed in the RECORD, as follows:

MEMORANDUM ON H. R. 10743, S. 5411, AND SIMILAR BILLS, ENTITLED "TO REQUIRE THE PURCHASE OF DOMESTIC SUPPLIES FOR PUBLIC USE AND THE USE OF DOMESTIC MATERIALS IN PUBLIC BUILDINGS AND PUBLIC WORKS"

H. R. 10743 has passed the House and is now before a committee of the Senate. It is called the "Wilson bill," being introduced by Representative WILSON, and has been referred to the Committee on Commerce. It is stated that the committee has voted to report the bill to the Senate.

S. 5411 is exactly the same as the Wilson bill, and was introduced by Senator STEIWER. It is pending before the Committee on Expenditures in the Executive Departments.

Briefly stated, H. R. 10743 as passed by the House seeks to require all articles or materials used by the Federal departments to be of domestic manufacture, and that such articles as are manufactured domestically shall be "wholly" made of materials mined, produced, or manufactured domestically.

Section 2 of this bill is objectionable for the reason that it goes too far in requiring that all articles used by the Federal departments be manufactured "wholly" out of articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States. This section 2 would apply to all materials or supplies of any kind and nature used by any Federal department, except for experimental or scientific purposes, or except where the articles are not mined, produced, or manufactured in the United States.

In the House of Representatives a question was asked of Representative HOLLISTER as to whether this would exclude canned peaches which were canned with Cuban sugar and the answer was, first, that "I should not think it would." But when Representative LEAVITT asked Representative HOLLISTER a few minutes later, "How, under this bill, could Cuban sugar be used in canned goods for the use of the Government when good Montana or Colorado sugar was just as available?" the answer was, "If it were just as available, I should think it probably could not be." Thus illustrating the dilemma that any manufacturer may expect to be in when attempting to act under such legislation.

A similar question was asked in respect to paper purchased by the Federal departments that might have been manufactured out of imported wood pulp. It was called to the attention of the House of Representatives that some domestic wood pulp was manufactured, but that larger quantities were imported which is manufactured into paper in this country. The sponsors of the bill in the House of Representatives merely stated that they felt such paper could still be purchased by the Federal departments under the provision that the exclusion thereof would be "inconsistent with the public interest," as provided in the second line of section 2.

Section 3 provides that every contract for the construction, alteration, or repair of any public building and public work shall contain a provision against the use of foreign articles or against the use of domestic manufactured articles that are not wholly manufactured from domestic materials. It will be noted that this section 3 covers only contracts for "construction work," and therefore has no application whatsoever to the very large purchases of ordinary materials and supplies used for other than construction work. However, the only penalty provided in the bill is in subsection b of section 3, which penalty can only be imposed where there has been a violation of the provision inserted in a Government contract. Thus the entire bill will be effective only on materials for construction work and leaves the general provisions of section 2 effective only to the extent of a declaration of policy, to say the most.

Public hearings were had on the bill in the House in the spring of 1932, and difficulties were apparently encountered by the committee in the House in the drafting of a workable bill.

As far as actual manufacturing processes are concerned, there are very few articles that can be stated to be manufactured "wholly" out of domestic products, and any required change in the ordinary processes of manufacture so as to exclude entirely imported products would create grave difficulties to most manufacturing concerns.

For the past two or three years provisions have appeared in various appropriation bills requiring that preference be given to the purchase by the Federal departments of domestic articles. Due to the general nature of these provisions and rulings of the Comptroller General, these provisions have been only partially effective in accomplishing the purpose of requiring the Federal departments to use exclusively domestic products. This was principally due to the ruling of the Comptroller General that American goods would be preferred only when all other conditions were equal, including cost. As a result of the requirement that "cost" be equal, the so-called domestic preference clauses in contracts have been rather academic.

Senator JOHNSON has introduced an amendment to H. R. 13520, which is the Treasury and Post Office appropriation bill, which does not go as far as the Wilson and Steiwer bills, but which does apparently correct the most serious defects of the previous enactments requiring "domestic preference." This is done in Senator JOHNSON's amendment by providing that the Federal Government departments shall purchase domestic manufactured articles, "notwithstanding that such articles may cost more, if such excess of cost be not unreasonable," and excepts from the provisions only "such articles which are not produced or manufactured in the United States of a suitable quality and in commercial quantities."

The Johnson amendment seems to be a step further than previous provisions in appropriation bills, without requiring an absolute exclusion of every kind of foreign material, whether merely an insignificant component part of a domestically manufactured product or otherwise.

I am in favor of the broad policy of all of these bills, but feel that the Wilson and Steiwer bills go so far as to be impractical of application and would result in serious dislocation of trade in some cases far more injurious to the country than the beneficial results that the bills are intended to accomplish.

It will be noted in Senator JOHNSON's amendment than an exception is made to articles not produced or manufactured in the United States "in commercial quantities," while Senator STEWER's bill excepts only such articles as are not produced or manufactured in the United States. Thus, any small production of an article in the United States would apparently bring that article under the ban. The bill even goes farther and in the present form actually prevents the purchase by the Federal Government of an article which may have some imported component part, no matter how small, although such component part is not even mined, produced, or manufactured in the United States. The bill illustrates its defects when it is considered that the imported component part which would bar the purchase in a manufactured article may be purchased if such "component part" is purchased alone. This undoubtedly was not the intent of the bill, and, to say the least, should be corrected.

A list of articles commonly used in manufacturing which make up component parts of products sold to the Federal Government but are commonly imported would be very extensive. In most cases they are little-known elements, and in relation to the value of the domestic product are very small. They are, however, in most cases essential to sound manufacturing practice. Tin, nickel, manganese, and other special alloys in the metals industry, cork, rubber, flax, silk, chocolate, cocoa, coffee, jute, copra, and many products (largely on the free list in the tariff act) might be cited.

The Johnson amendment appears to be much more satisfactory to the business interests of the country than any other proposals and permits of the least disruption of trade practice, both for the Government and for domestic manufacturers.

In any case, the House bill should be carefully perfected and an exception should be made of all articles used in the manufacture of goods in the United States which have been imported prior to the enactment of the bill (many of which are completely fabricated or in process); it should not apply to any imported materials that are on the free list, otherwise the bill would be in direct opposition to the carefully considered individual items and policies covered in the tariff act; section 3 of the Steiwer bill should provide that the provision barring imported materials should be included in all contracts of the Federal Government, otherwise it will not accomplish its purpose.

To accomplish a part of such improvement of the bill I have introduced several amendments. I believe, however, that the Johnson amendment above referred to accomplishes the general purpose better than the House and Steiwer bills, even if improved.

Amendments intended to be proposed by Mr. WALSH of Massachusetts to the bill (H. R. 10743) to require the purchase of domestic supplies for public use and the use of domestic materials in public buildings and works, viz:

On page 2, line 14, after the word "used," to insert the words "or the articles, materials, or supplies from which they are manufactured."

On page 2, line 15, after the word "States," to insert the words "in commercial quantities."

On page 2, line 18, after the word "States," to insert the words "and the acquisition for public use of articles, materials, and supplies."

On page 2, line 19, strike out the words "the work" and insert the words "such contract."

On page 2, line 21, after the word "use," insert the words "and furnish."

On page 3, line 16, strike out the word "sixty" and insert the word "ten."

On page 3, line 21, after the word "act," insert the words "or to any articles, materials, and supplies which have been imported prior to such effective date."

H. R. 10743

An act to require the purchase of domestic supplies for public use and the use of domestic materials in public buildings and works

Be it enacted, etc., That when used in this act—

(a) The term "United States," when used in a geographical sense, includes the United States and any place subject to the jurisdiction thereof;

(b) The terms "public use," "public building," and "public work" shall mean use by, public building of, and public work of, the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, the Philippine Islands, American Samoa, the Canal Zone, and the Virgin Islands.

Sec. 2. Notwithstanding any other provision of law, and unless inconsistent with the public interest, or unless the cost is unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States wholly of articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or to be used for experimental or scientific purposes, or if articles, materials, or supplies of the class or kind to be used are not mined, produced, or manufactured, as the case may be, in the United States.

Sec. 3. (a) Every contract for the construction, alteration, or repair of any public building or public work in the United States shall contain a provision that in the performance of the work the contractor and all subcontractors shall, so far as practicable, and unless the cost is unreasonable, use only such unmanufactured articles, materials, and supplies as have been mined or produced

in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States wholly of articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States.

(b) If the head of a department, bureau, agency, or independent establishment which has made any contract containing the provision required by subsection (a) finds that in the performance of such contract there has been a failure to comply with such provisions, he shall make public his finding, including therein the name of the contractor obligated under such contract, and no other contract for the construction, alteration, or repair of any public building or public work in the United States or elsewhere shall be awarded to such contractor, or to any partnership, association, or corporation with which such contractor is associated or affiliated, within a period of three years after such finding is made public.

Sec. 4. This act shall take effect 60 days after its enactment, but shall not apply to any contract entered into prior to such effective date or to any contract that may be entered into after such effective date pursuant to invitations for bids that are outstanding at the date of enactment of this act.

EMPLOYMENT OF A MESSENGER

Mr. FESS submitted the following resolution (S. Res. 337), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 421, agreed to January 28, 1931, and previous resolutions authorizing Hon. THOMAS D. SCHALL, a Senator from the State of Minnesota, to appoint a messenger for service as his personal attendant, to be paid out of the contingent fund of the Senate, hereby are continued in full force and effect until otherwise ordered.

EXHIBITION OF WORKS OF THE FINE ARTS COMMISSION (S. DOC. NO. 174)

Mr. FESS. Mr. President, I have in my hand a letter from the Fine Arts Commission commenting upon the selection of sculpture now in place in the National Museum. I would like to have it printed in the RECORD and as a Senate document for general distribution.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The letter is as follows:

THE COMMISSION OF FINE ARTS,
Washington, January 14, 1933.

DEAR SENATOR FESS: The George Washington Bicentennial Commission having asked the Commission of Fine Arts to arrange an exhibition of works of the fine arts suited to the occasion of the bicentennial, this commission secured the active cooperation of the National Sculpture Society, the National Society of Mural Painters, the American Academy in Rome, the National Capital Park and Planning Commission, and the Harvard University School of Landscape Architecture professors who were engaged on topographic studies of Mount Vernon. Other art organizations gave encouragement to the project but were not in financial position to participate in the exhibition.

The great rotunda of the National Museum Building and exhibition rooms of the National Gallery of Art were courteously granted by the Smithsonian Institution and were especially prepared for the exhibition, the expense being borne partly by an appropriation by Congress and partly by the National Sculpture Society, which undertook the general supervision of the arrangements.

The exhibition was opened on March 26, 1932, and continued until November 24, 1932, during which period it was visited by 448,627 people.

The larger portion of the works of sculpture shown naturally came from members of the National Sculpture Society, but were not limited to those members. For artistic excellence and also for the number of works the exhibition was representative of American sculpture.

Three models of statues of historic significance and high merit by sculptors no longer living were shown. John Quincy Adams Ward's standing figure of Washington from the Subtreasury in New York, Daniel Chester French's statue of the Republic (in bronze) from Chicago, and Paul Bartlett's equestrian statue of Lafayette from Paris.

The mural painters contributed a series of scenes from the Life of George Washington, painted on large canvases that made a complete frieze around the main exhibition room. These murals formed a feature of first importance. They represented, both in the labor bestowed upon them and also in the talent displayed by the painters, the manifestation of a patriotic spirit of significance and value.

The American Academy in Rome contributed a series of large photographs presenting the executed work in architecture, sculpture, and landscape architecture of the graduates of that institution, which was chartered by Congress.

The drawings and topographic surveys of Mount Vernon, Woodlawn, and Gunston Hall, the first of the kind ever made, were of importance, both as representations of early landscape work and also from the standpoint of the cultural history of this country.

The exhibition made by the National Capital Park and Planning Commission well occupied as large a space as the exhibition of sculpture. It presented in models, renderings, plans, and photographs a record of the development of the city of Washington as the National Capital—past, present, and future.

It is not possible to mention here the names of the persons who gave time and thought to make the exhibition a serious, sustained, and a (within the limits above mentioned) representative exhibition of the culture of the American people. In the language of Thomas Jefferson "its object was to improve the taste of our countrymen, to increase their reputation, to reconcile to them the respect of the world, and procure them its praise." This object the exhibition accomplished.

Very respectfully yours,

CHARLES MOORE, *Chairman.*

Hon. SIMEON D. FESS,
Vice Chairman United States George
Washington Bicentennial Commission,
United States Senate, Washington, D. C.

REPORT ON WASHINGTON MONUMENT GROUNDS (H. DOC. NO. 528)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Public Buildings and Grounds, as follows:

To the Congress of the United States:

I transmit herewith the report on the Washington Monument grounds authorized by the independent offices act of 1931, together with several plans and estimates therefor.

I wish to add that I am in accord with the conclusions of this report.

HERBERT HOOVER.

THE WHITE HOUSE, January 19, 1933.

BANKING ACT

The Senate resumed the consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

The VICE PRESIDENT. The Senator from Wisconsin [Mr. BLAINE] has the floor.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Do proposed amendments to the pending bill have to be filed with the clerk before 1 o'clock this day?

The VICE PRESIDENT. They must not only be filed but must be read, unless unanimous consent is given that the amendments may be filed and the reading dispensed with.

Mr. THOMAS of Oklahoma. A second parliamentary inquiry: Do amendments already filed with the clerk have to be read before they are considered as offered?

The VICE PRESIDENT. That has already been taken care of by unanimous consent granted on the request of the Senator from Arkansas [Mr. ROBINSON].

Mr. THOMAS of Oklahoma. I ask unanimous consent to file additional amendments to the bill, if that may be in order, without being read, to save the time of the Senate.

The VICE PRESIDENT. Is there objection? Without objection, consent is given.

Mr. BULKLEY. Mr. President, I ask unanimous consent that similar permission be accorded to all Senators so that all amendments filed before 1 o'clock to-day may be considered as read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BLAINE. Mr. President, an attempt has been made to impute to Senators—and to lead the country to believe those imputations—a design and conspiracy on the part of certain Senators to engage in a filibuster and to delay a vote upon the Glass banking bill. In going over the RECORD I find that those who favor branch banking and who no doubt will vote for cloture—

Mr. LONG. Mr. President, I ask for order in the Senate so that I can hear the Senator speaking.

The PRESIDENT pro tempore (rapping for order). The Senate will be in order. [After a pause.] The Senator from Wisconsin will proceed.

Mr. BLAINE. I find from the RECORD that those who have favored and who do favor branch banking and who no doubt will vote for cloture have occupied substantially the same amount of time in the debate as has been occupied or taken up by those who are opposed to branch banking. In view of that circumstance, it is, indeed, very strange that the Senate should be put under cloture.

I want to review, just briefly, what has happened since the Glass banking bill has been before the Senate for consideration. The Senate has recessed almost every day not later than 5 o'clock, with very few exceptions. There have been recesses taken before 5 o'clock in the afternoon. Many of the recesses have been shortly after 5 o'clock. On but very few occasions has the Senate remained in session beyond 6 o'clock, and I was unable to find any time when the Senate remained in session after 7 o'clock in the evening. Those Senators who are about to vote for cloture ought to appreciate that it is quite well known to other Members on the floor of the Senate that they failed to insist that the debate should continue until it was closed. Those Senators had it within their power, if they chose to remain here in their seats, to prevent early recesses being taken, but they did not do so. In fact, it is well known that some of them were very anxious that the recesses be taken, in order that they might have the opportunity to meet their dinner engagements at 6.30 or 7 or 8 o'clock. It was within the power of those Senators, and within the power of the Senate, to have continued the sessions until the debate had exhausted itself in a continuous session throughout the hours of the night; and yet there was no suggestion, so far as I recall, that that procedure should be indulged in.

Now the same forces, the same powers, are determined to cram down the Senate a cloture rule which limits the debate to one hour on the part of any Senator, as I understand. As for myself, I have occupied but a few minutes in this debate; I am not complaining about that; but I am complaining about those Senators who are now protesting against the debate continuing, and who failed to be here in their seats and protest the recessing of the Senate, who have absented themselves, no doubt to meet their dinner engagements. There is a perfectly legitimate and parliamentary method by which the filibuster may be broken, if there is a filibuster in which Senators are engaged. No attempt has been made to exercise the parliamentary rules in order to break down any filibuster that might have prevailed in the consideration of the bill. I think the country ought to know that Senators who have been calling the kettle black now, because of their failure to insist upon the parliamentary rules and to continue the debate until it was concluded, should be foreclosed from complaining about the situation in which we find ourselves.

I make no complaint; I am perfectly willing to vote upon the cloture petition. I do not favor cloture; but I want to send out this warning, that when the cloture is once established as a rule of the Senate, the minority in a party and the minority party will find themselves in a position where they can not effectually and properly debate the subjects that may come before the Senate in future years.

Mr. President, so much for that. Now, I want to turn my attention—

Mr. LONG. Mr. President, will the Senator yield for just a second?

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Louisiana?

Mr. BLAINE. I do not like to be interrupted when I have so little time, but I will yield.

Mr. LONG. I merely desire to ask the Senator one question. In view of the many lobbies that are here trying to put this chain bank bill over, does not the Senator think that the dinner engagements of Senators to which he has referred might be important at this time?

Mr. BLAINE. I am not imputing to Senators any improper conduct. I am simply stating what the RECORD discloses, that the Senators who now propose to support cloture had the opportunity to force the debate to a final conclusion, and I think the dinner engagements, perhaps, at

their own homes or the homes of friends might have been more impelling than the responsibility to have the Senate proceed in a parliamentary way permissible under the rules.

Now, Mr. President, I want to turn my attention to the evidence that was submitted, as I said yesterday, in the grand finale of the Senator from Virginia. Hundreds and, I understood from the Senator, thousands of telegrams have poured in upon him. I undertook during the course of his remarks to call his attention to some circumstances that might explain why there was a flood of such telegrams. I did not have the opportunity; I was denied the opportunity by the Senator to make a full statement. So now I take this occasion to present some of the evidence that has come to me which would justify an ordinary country justice of the peace in the State of Virginia or any other State to throw the evidence out, even if there were involved only the question of petty larceny. The evidence amounts to nothing, in view of the circumstances, as I shall point out.

I want to read from a letter to which I made reference yesterday. This information has been communicated by letter from my State and refers to the activities of an agent of the Postal Telegraph Co. I quote:

His office telephoned local merchants, leaving them under the impression that the content of the telegram was being transmitted to them, which telegram reads as follows:

"We understand Senator CARTER GLASS would appreciate telegram sent to our Senators, ROBERT LA FOLLETTE and J. J. BLAINE, favoring the enactment of the Glass bill and opposing filibuster of Senator H. LONG, particularly section 19."

Signed by the agent for the Postal Telegraph Co.

I have not any doubt but that the Western Union Co. has engaged in the same practice, but that may not be important. Those gentlemen were seeking an opportunity for profit for the companies which they are serving as employees. Now, however, I wish to come to a proposition that is important. I suggested that there are lobbyists in and about Washington, in and about the Capitol of the United States. Those lobbyists stand just outside the entrance door to the Senate; they are there to seize the collar of every Senator if they think they might influence him to vote for this bill or to withdraw his objection to the bill.

I want to read from the written testimony the admissions of some of these gentlemen. Such testimony does not come from one State alone. I understand that there are other Senators upon this floor who now do me the honor of listening to these remarks who have had similar experiences. Let us see what this lobby is. This lobby is the organized banking forces of this country who want to put over a branch-banking system that would destroy the independent unit banking system. These same banking forces want to destroy the independent banks in the knowledge that when those independent unit banks shall be closed and destroyed, then they will have a monopoly of the credit of this country. Let me read from a letter sent to a Member of the Senate from the State of Minnesota, for instance:

JANUARY 17.
I inclose a circular letter which I am advised was sent out to all stockholders of the N. W. Banco group.

That is the Northwest Bancorporation.

I presume similar letters of instructions have gone out by other groups and branch banks, and undoubtedly Senators will be flooded with messages propagated by the "big boys."

Yes, indeed, the Senator from Virginia was literally flooded with telegrams in favor of branch banking.

I digress for a moment to inquire how many of those who sent those telegrams ever saw the Glass banking bill and how many of them ever knew what was in the branch-banking provision of the bill? I think when it appears that there are hundreds or scores of telegrams coming from one community reading about the same, having about the same text, that it is a reflection upon the intelligence of the senders of those telegrams; but they have been induced to send them by some one, perhaps not by the telegraph companies, but, perchance, by the banking groups of the United States who want to monopolize the credit of this country.

Now, let me proceed.

I thought you might be interested in advising the Senate what they might expect. If branch banking goes through, it will mean the closing of more independent banks by competition, and the groups and branch banks would delight in putting them out of business. You have the country with you. Hang on and keep up the good work.

This letter is signed by a reputable business man who, however, is under the thumbscrew of the group-banking interest of his State, and, therefore, in order to protect himself, he has asked that his name be not disclosed. Of course, his name should not be disclosed; his little business should not be put in jeopardy; but how many of the senders of such telegrams have been informed, and pointedly so, to send the telegrams or the thumbscrew would be placed upon them, they knowing very well that the suggestion alone was an "order from the king"; an order that the message be sent out. They knew full well that if they did not send it the same banking organization could put the thumbscrews upon them. They followed the warning.

What did the Northwest Bancorporation say? I have their letter, dated January 16, 1933, from Minneapolis, Minn. It is addressed, "To officers and directors of Northwest Bancorporation and affiliated banks." I shall read the letter in full.

This letter is of that character of evidence that convicts the organized financial interests of this country who are seeking legislation favorable to branch banking of having undertaken to influence this Congress by lobby methods. They have their representative just outside the door of the Senate Chamber. I have seen him. He has talked to me. He did not invite me, however. The conversation or the meeting was quite accidental; but on that occasion I informed him that I was opposed to branch banking. However, the order had gone out by him prior to that time; and in compliance with that order the Northwest Bancorporation wrote this letter to its members, its officers, and directors:

We are making a nation-wide effort to have telegrams sent to each United States Senator from your State and to Senator GLASS—

Now, does the Senator think that those telegrams were spontaneous? Ah! He is not so green as to believe for one moment that that flood of telegrams was sent spontaneously.

I repeat:

We are making a nation-wide effort to have telegrams sent to each United States Senator from your State and to Senator GLASS, pointing out importance of obtaining passage of the Glass bill.

Mr. J. C. Thomson, vice president and general manager, telephoned from Washington yesterday—

That is the gentleman who occupies his position just outside the Senate door—a convenient position; in fact, in the aisle leading to the exit from the Senate Chamber, where he might have the opportunity to approach every Senator as he leaves the Senate Chamber for his home or his office—telephoned from Washington yesterday asking that telegrams be sent by business interests of this territory over each company's name and signed by the president or managing officer as such. Apparently Senator HUEY LONG, of Louisiana, is prepared to carry on the present filibuster for some time, but efforts will be made this week by Senator GLASS to break this filibuster—

Evidently the Senator from Virginia was "let in" on the proposal of Mr. Thomson, or Mr. Thomson has misrepresented the Senator. I would accept the statement of the Senator from Virginia, however, on that proposition—

but efforts will be made this week by Senator GLASS to break this filibuster and to put into effect a cloture rule in order to obtain a vote on the bill.

In other words, a lobbyist here in Washington had information as to a matter regarding which Members of the Senate had no information. He had information that a cloture was going to be proposed. I desire to note that to-day is the 19th day of January. I also desire to note that on the 17th day of January the cloture petition was presented. I ask Senators to note that this letter was dated in Minneapolis, January 16, before the Senate of the United States had official information that a cloture was going to be proposed; and remember that, according to this letter,

Mr. Thomson telephoned "yesterday"—that is, the day before January 16—he telephoned two days before the cloture was proposed in the Senate Chamber that a cloture rule would be proposed.

Now, let me read further:

There has been considerable opposition by Northwest Senators, and we believe that some of these are lined up with Senator Long in an effort to block passage of the bill. The morning paper indicates that the bill will be laid over for Monday and Tuesday in order to make way for certain appropriation measures, but it will come up on Wednesday morning.

There is a horrible spectacle, Mr. President. I think the country ought to know of it. Here is a lobbyist—a lobbyist who is primarily interested in monopolizing the credit of this country—having the information that a cloture rule is to be offered days before that cloture petition was received in the Senate of the United States. I pause to say that that situation in these days, in my opinion, carries with it a menace for the future.

We should like to have as many telegrams as possible go into Washington by that time and shall appreciate it very much if you will send such telegrams and get as many of your associates as possible to do likewise. We have been asked by some of our directors to give several suggestions as to what types of telegrams might be desirable and, in response, offer the following suggestions.

I have not read the telegrams that have been received by the distinguished Senator from Virginia. I wish I had had the opportunity to read them. I heard some of them read. I did not get the full text of them. I did not have this information before me; but I should like to compare the text of those telegrams with some of the contents of these suggestions, and see to what extent the text of the telegrams corresponds to the suggestions that are made by this lobbyist. I know that the telegrams I have received are very closely knitted in with the suggestions made by this lobbyist.

Now, let us see what those suggestions are. He has three of them. He overlooks nothing.

1. We urge you to muster all support possible to obtain passage of Glass bill with provisions for state-wide branch banking.

I want to point out to the Senate that in all of these undertakings the single feature that has been emphasized is branch banking. The bill covers a multitude of provisions relating to national banks, the Federal-reserve system, and the whole banking system. It is a bill containing over 50 pages; and yet the single feature of the bill which has been emphasized in these telegrams and by these lobbyists is branch banking.

These are the suggestions that the senders of the telegrams are to insert in the telegrams:

Would like to register vigorous protest against Long's filibuster—

Well, they did that—

which not only is delaying action upon this measure but preventing passage of other constructive legislation—

Identically the same language in some of those telegrams—

which is needed to bring relief to this territory.

The second suggestion: They did not want all of these telegrams to read the same way. They wanted a variety. They no doubt thought that they could pull the wool over the eyes of the Members of the Senate; that the Members of the Senate might not be keen enough to perceive that there was more than one text of telegrams, and so they had the three suggestions:

2. It is my opinion that the majority of the people in this territory are in favor of passage of a branch-banking bill that will enable national banks in all States to establish branches and thus provide service to communities now without banks.

That sounds familiar after listening to some of the telegrams, and particularly after reading some of the telegrams that I received.

The obstructive tactics such as are being used by Long and his supporters are wholly unjustified in view of important legislation of all kinds now pending in Congress, much of which is needed to bring relief to the country at large.

If those gentlemen were as much interested in relief legislation as they pretend to be, why did they not send their telegrams to the Senator from Virginia [Mr. Glass] and the Senator from Louisiana [Mr. Long] and other Senators, insisting that the rules of the Senate might be used in order to promote a final vote upon this bill? They have not been violated. They simply have not been used. This debate could have been concluded had the complaining Senators desired.

These gentlemen were not interested in that, however. They wanted the country to believe that there were certain offenders in this matter. They wanted the country to believe that those offenders were the single ones who are prolonging the debate on this bill. They were interested, not in the general welfare of the country, not in farm relief, not in relief for the starving, but they were interested in branch banking; and every telegram, I think without a single exception, discloses that that was their interest.

Let me read further:

3.—

If these people did not choose to send telegrams along the lines of the first or second suggestions, they were invited to try this one out on the Senate. In fact, it occurs to me in passing that these suggestions are direct reflections upon the intelligence of the Members of this body.

Business interests here seriously disturbed by situation in Senate and the delayed action on pending legislation. We urge your support for any move that will break this filibuster in order that legislation of an emergency nature, such as the Glass bill, may come up for action.

They do suggest the Glass bill, generally speaking, but that is not their full suggestion.

We believe majority of people in this territory favor passage of Glass bill providing for state-wide branch banking.

According to these gentlemen, that is all that is contained in the Glass bill.

We vigorously protest against the actions of Senator Long and his associates in obstructing this and other important legislation sorely needed to restore confidence and stabilize business conditions.

The Senate will observe that they are keeping check on the gentlemen to whom they have made the request. They conclude:

We should like very much to have copies of telegrams sent to use in connection with support which we are trying to obtain for the bill. We shall appreciate your cooperation at this time.

Very truly yours,

W. E. BROCKMAN,
Assistant Secretary.

That is upon the letterhead of Northwest Bancorporation, an affiliated group of leading banks and trust companies, at Minneapolis, Minn.

That evidence, it seems to me, ought to be considered by the Senate as entirely vitiating any force or effect of a single telegram that has been sent to a single Senator.

Mr. President, the time for a vote upon the cloture is fast approaching. I had intended, during the course of the debate, to discuss the question of branch banking as it obtains in Canada and branch banking as it is practiced in the United States. I have gone to considerable trouble in searching the literature upon the subject of branch banking to be found in the Congressional Library. I find that the Congressional Library is almost barren of literature upon the subject.

I have not the time, within the few minutes that are left, to discuss branch banking as it is practiced in Canada. However, I want to call to the Senate's attention, before I take my seat, this very significant practice which obtains there. Under the branch-banking system of that Dominion there are certain investment banks and certain mortgage companies which might be classified as bankers, but the branch-banking system of the Dominion of Canada expressly, by the laws of that Dominion, prohibits the lending of a single dollar upon real estate within the Dominion.

I have gone through the clippings that are in the legislative reference department in the Congressional Library. I found 30 clippings. Practically all of them are propaganda articles in favor of branch banking, but none of them gives

facts and figures from which any disinterested and unbiased person might draw conclusions.

The literature in the Congressional Library is limited to six small volumes, none of them a treatise that is worth while, upon the subject of branch banking. So it is difficult to obtain much information respecting branch banking in Canada.

I have gone through the hearings held by the full Committee on Banking and Currency, comprising two parts, and very extensive hearings before the subcommittee, printed in five parts, and all to be found on branch banking in all of those volumes of hundreds of pages of testimony is a mere fragmentary reference to branch banking.

Some by declaration and assertion indicate that they are in favor of branch banking, some by declaration and assertion oppose branch banking, and I think that in only one instance is there any fact upon which testimony was given concerning branch banking.

Mr. President, during the course of the proceedings before the Committee on Banking and Currency, of which I was a member at the time the hearings were held, and am now, when the committee went over the bill I called to the attention of the committee the fact that there had been substantially no testimony taken on branch banking. Of course, branch banking was set forth in the first bill; I presume it was the first bill. Anyway, it was Senate bill 3215, introduced by the distinguished junior Senator from Virginia [Mr. GLASS]. It is the only bill to which reference has been made by number other than the pending bill, and branch banking was provided for in that bill, but an entirely different system of branch banking than is provided for in section 19 of the pending bill. To the system set forth in Senate bill 3215 objection was made by those group bankers and financial interests who want branch banking unrestricted.

If the time permitted, I should review the history of this bill before the Committee on Banking and Currency. But I shall reserve my discussion of the details until a vote shall have been taken on the petition to invoke the cloture rule. I have not the time, it is obvious, within which to give the facts respecting branch banking in Canada as I have been able to gather those facts from the very meager and fragmentary literature on the subject. But there are certain outstanding facts, essential facts, facts which disclose that the branch-banking system of Canada has not and does not and can not furnish any credit except a very limited intermediate credit to the agricultural interests of Canada or the home owners of Canada.

Mr. President, only five minutes remain before the time when we will take a vote; and as there may be some Senator who desires to make some comment, I feel that I should yield the floor.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	King	Shipstead
Austin	Davis	La Follette	Shortridge
Bailey	Dickinson	Logan	Smith
Bankhead	Fess	Long	Smoot
Barbour	Fletcher	McGill	Steinwer
Bingham	Frazier	McKellar	Stephens
Black	George	Metcalf	Swanson
Blaine	Glass	Moses	Thomas, Idaho
Borah	Glenn	Neely	Thomas, Okla.
Bratton	Goldsborough	Norbeck	Townsend
Brookhart	Gore	Norris	Trammell
Broussard	Grammer	Nye	Tydings
Bulkley	Harrison	Oddie	Vandenberg
Bulow	Hastings	Patterson	Wagner
Byrnes	Hatfield	Pittman	Walcott
Capper	Hawes	Reed	Walsh, Mass.
Caraway	Hayden	Reynolds	Walsh, Mont.
Connally	Howell	Robinson, Ark.	Watson
Coolidge	Hull	Robinson, Ind.	Wheeler
Copeland	Johnson	Russell	White
Costigan	Kean	Schuyler	
Couzens	Kendrick	Sheppard	
Cutting	Keyes		

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present. The hour

of 1 o'clock having arrived, the Chair lays before the Senate the petition for cloture. Under the rule the roll should be called, but as the roll has just been called, without objection, that order will be dispensed with. Is there objection? The Chair hears none. The question is, Is it the sense of the Senate that the debate be brought to a close? The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BLAINE (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. BARKLEY] and the junior Senator from Iowa [Mr. DICKINSON], both of whom would vote "yea." I transfer that pair to the senior Senator from Oregon [Mr. McNARY] and vote "nay."

Mr. DICKINSON (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. BARKLEY], as announced by the Senator from Wisconsin [Mr. BLAINE]. Therefore I withhold my vote. If the Senator from Kentucky [Mr. BARKLEY] and myself were permitted to vote, we both would vote "yea."

Mr. GORE (when his name was called). Present.

Mr. HASTINGS (when Mr. HEBERT's name was called). The junior Senator from Rhode Island [Mr. HEBERT] and the senior Senator from Maine [Mr. HALE], both of whom are necessarily absent, are paired with the senior Senator from Washington [Mr. DILL]. If Senators HALE and HEBERT were present, they would vote "yea," and I understand Senator DILL would vote "nay."

The roll call was concluded.

Mr. DICKINSON. I find I can transfer my part of the pair to the junior Senator from Illinois [Mr. LEWIS], which I do, and vote "yea."

Mr. FESS. I wish to announce the necessary absence of the Senator from Maine [Mr. HALE].

Mr. STEINWER. I wish to announce the absence of the senior Senator from Oregon [Mr. McNARY] on account of illness.

The roll call resulted—yeas 58, nays 30, as follows:

YEAS—58			
Ashurst	Couzens	Keyes	Smith
Austin	Dickinson	King	Steinwer
Bailey	Fess	Logan	Stephens
Bankhead	Fletcher	McGill	Swanson
Barbour	Glass	McKellar	Thomas, Idaho
Bingham	Glenn	Metcalf	Townsend
Black	Goldsborough	Neely	Tydings
Bratton	Grammer	Patterson	Vandenberg
Broussard	Harrison	Pittman	Wagner
Bulkley	Hastings	Reed	Walcott
Bulow	Hawes	Robinson, Ark.	Walsh, Mass.
Byrnes	Hayden	Schall	Walsh, Mont.
Connally	Hull	Schuyler	White
Coolidge	Johnson	Sheppard	
Copeland	Kendrick	Shortridge	
NAYS—30			
Blaine	Davis	Moses	Shipstead
Borah	Frazier	Norbeck	Smoot
Brookhart	George	Norris	Thomas, Okla.
Capper	Hatfield	Nye	Trammell
Caraway	Howell	Oddie	Watson
Costigan	Kean	Reynolds	Wheeler
Cutting	La Follette	Robinson, Ind.	
Dale	Long	Russell	
NOT VOTING—8			
Barkley	Dill	Hale	Lewis
Carey	Gore	Hebert	McNary

The VICE PRESIDENT. On the motion the yeas are 58, the nays are 30. Two-thirds not having voted in the affirmative, the motion is lost.

Mr. THOMAS of Oklahoma. Mr. President, I wish to make a statement not to take more than one minute. I remind those on this side of the aisle that on a former historic occasion, when the South was sought to be enslaved under the force bill, a famous Democratic Senator by the name of Arthur P. Gorman and a famous Democratic Speaker of the House by the name of Sam Randall saved the South.

To-day I regret to know that those on my side of the Chamber, through the use of the same power sought to be imposed over 40 years ago, are seeking to enslave the people of the Nation, both North and South.

Mr. ROBINSON of Arkansas. Mr. President, I believe the statement just made by the Senator from Oklahoma [Mr.

THOMAS] is unaccountable and incomprehensible. Anyone who imagines that the preservation of the Union is involved in the right of two or three Senators, combining with those who would like to embarrass the country and embarrass those who would like to do business in this body, represents a mental process that is utterly beyond my comprehension. I realize that many Senators here—not only from the South but also from the West and from the Middle West—feel a repugnance toward the imposition of cloture, and for that reason, condemning, in their judgment, the practices that have prevailed here, have declined to vote for cloture.

I wish to say to the Senator from Oklahoma that the time has come when the United States Senate ought to demonstrate its ability to do business or else take the censure and condemnation which is being heaped upon it by the patriotic people of this Nation without regard to their political affiliations.

The leadership on the other side of the Chamber, repudiated in the cloture vote by many Republican Senators, which has contributed to this effort to make the Senate ridiculous in order to embarrass the incoming administration, has already found a day of judgment. They have already been compelled to meet the test of failure by the American people.

There is not involved in this issue any question as to the merit or demerit of a particular amendment. The question involved is whether at a time when the country is suffering from a depression unparalleled in its history, at a time when legislation is badly needed, the Senate will demonstrate its unfitness and its incapacity to do business. Why not debate these issues, determine them upon their merits, and let a majority of the Senate decide?

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. BORAH. Mr. President—

Mr. ROBINSON of Arkansas. I yield to the Senator from Idaho.

Mr. BORAH. I send to the desk a proposed unanimous-consent agreement and ask that it may be read.

The VICE PRESIDENT. Let it be reported.

The Chief Clerk read as follows:

It is agreed by unanimous consent that no Senator shall speak longer than 1 hour upon the pending bill nor longer than 30 minutes on any amendment offered to said bill.

The VICE PRESIDENT. Is there objection?

Mr. LONG. Mr. President, I ask to be heard for just a moment.

The VICE PRESIDENT. Is there objection to the agreement?

Mr. LONG. I wish to make a brief statement.

The VICE PRESIDENT. Is there objection to the Senator from Louisiana making a statement?

Mr. BORAH. Mr. President, will not the Senator permit the proposed agreement to be acted upon and then hold the floor?

Mr. LONG. I ask just for two minutes. I am sorry that the Senator—

The VICE PRESIDENT. Is there objection to the Senator from Louisiana proceeding? The Chair hears none.

Mr. LONG. I am sorry that the Senator from Oklahoma and the Senator from Arkansas saw fit to make any statement at all, because we had agreed, unanimously we thought, following the vote just taken, that we would agree to what had been understood here yesterday. But I can not let the statement of the Senator from Arkansas go unchallenged. The Senator from Arkansas, Mr. President, is not speaking the sentiments of the Democrats of the United States; he is not speaking the sentiments of the Democrats of the South; he is not speaking the sentiments of the Democrats of Louisiana; he is not speaking the sentiments of the Democrats of Arkansas in the statement he has made here this morning.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. By what authority or right does the Senator from Louisiana assume that he is the spokesman for the Democrats of the Nation, or for those of the State of Arkansas or other States?

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Is there objection to the unanimous-consent agreement?

Mr. LONG. Just a moment. May I answer the question the Senator from Arkansas propounded? By election returns. [Laughter and manifestations of applause in the galleries.]

The VICE PRESIDENT. There must be no demonstrations in the galleries.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. The Senator from Arkansas.

Mr. ROBINSON of Arkansas. The election returns drove out of authority the members of the Senator's cabinet, as some have designated them, the Members on the other side of the Chamber, the so-called leaders, the Senator from Indiana [Mr. WARSON] and the Senator from New Hampshire [Mr. MOSES], who have joined him in an effort to prevent the Senate from reaching a conclusion. I still assert, with all the power and emphasis at my command, that it is the duty of the Senate of the United States to go forward and do business and not make a pitiable and contemptible spectacle of itself.

The VICE PRESIDENT. Is there objection to the proposed agreement submitted by the Senator from Idaho [Mr. BORAH]?

Mr. BORAH. Mr. President, if we can not secure action on the proposed agreement, I myself am going to make a speech. [Laughter.]

The VICE PRESIDENT. Is there objection to the request for unanimous consent proposed by the Senator from Idaho? The Chair hears none, and it is so—

Mr. GLASS. Mr. President, reserving the right to object, what assurance has the Senator from Idaho that unanimous consent will be given to his request?

Mr. McKELLAR. It has already been granted.

Mr. GLASS. No; it has not been granted.

Mr. McKELLAR. Yes; it has.

Mr. GLASS. No; because I myself am reserving the right to object.

Mr. BORAH. I consulted on both sides of the Chamber those who are interested in the bill, including the Senator from Virginia, and I had the approval of all, so far as I could make contact with them, that it was satisfactory to them.

Mr. GLASS. I merely wanted to call the Senator's attention to the fact that it was announced vehemently on the floor yesterday that unless the petition for cloture were withdrawn there would be no unanimous consent for the remainder of this pending session of Congress.

Mr. BORAH. Mr. President, if the Senator will permit me, I think this request for unanimous consent will be adopted in about a minute and a half.

Mr. ROBINSON of Arkansas. I hope the proposal will be agreed to.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Oklahoma?

Mr. BORAH. I yield.

Mr. THOMAS of Oklahoma. In order that there may be no misunderstanding, let me say that I served notice on yesterday that unless the petition for cloture were withdrawn and thereafter cloture was adopted there would be no business done by unanimous consent. The Senator was mistaken as to the notice which I gave.

Mr. BORAH. Mr. President, I ask that the request be put.

Mr. ROBINSON of Arkansas. Question!

The VICE PRESIDENT. Is there objection to the request for unanimous consent submitted by the Senator from Idaho? The Chair hears none, and it is so ordered.

The question now is on the amendment of the Senator from Louisiana [Mr. LONG] to the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. The Senator from Utah.

Mr. SMOOT. Mr. President, I wish to announce that I am in favor of the bill known as the Glass banking bill. The reason why I voted against cloture was that we have been dilly-dallying here day in and day out, adjourning at about 5 o'clock every day and getting nowhere at all; and I thought, before resorting to cloture, we ought to show a disposition on the part of the Senate to pass the bill. Up to the present time such a disposition has not been indicated. I recall other conditions under which cloture would have been in order when the Senate held day sessions and night sessions day in and day out and night in and night out, but there has been no such manifestation on the part of the Senate to force a vote on this bill by talking.

Now, let us discuss the bill. I am willing to remain here all night to-night and all night the next night, I am willing to work until the bill shall be passed, and I want to have the bill passed; but I did not want to impose cloture at this particular time.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Louisiana to the amendment offered by the Senator from Michigan.

SEVERAL SENATORS. Vote!

Mr. BLAINE. Mr. President, I doubt very much if many Members of the Senate know the exact status of the pending amendment. We are all familiar with the text of the amendment offered by the Senator from Louisiana [Mr. LONG], but I had assumed that the Senator from New Mexico [Mr. BRATTON] had an amendment which he would offer, which, in all probability, would dispose of the amendment offered by the Senator from Louisiana and the amendment proposed by the junior Senator from Michigan [Mr. VANDENBERG], and also dispose of the subject of branch banking. I observe, however, that the Senator from New Mexico is not at present on the floor. It has been suggested to me that perhaps the junior Senator from Montana [Mr. WHEELER] has the text of the amendment which will be proposed, if one is to be proposed by the Senator from New Mexico.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. BLAINE. I yield.

Mr. WALSH of Massachusetts. Would the Senator be willing to advise the Senate as to the particular pending amendment in regard to branch banking which he favors?

Mr. BLAINE. I understood that on yesterday there was some composition of minds and purposes and that the Senator from New Mexico had perfected or would ask to have perfected the amendment which he had sent to the desk and which has been printed and is now on the table, but which is not now pending.

Mr. WALSH of Massachusetts. Has the Senator seen the text of that amendment?

Mr. BLAINE. I have seen the text of that amendment.

Mr. WALSH of Massachusetts. I inquire of the Senator where one may obtain a copy of it.

Mr. BLAINE. In the absence of the Senator from New Mexico I would rather not discuss it.

Mr. BRATTON entered the Chamber.

Mr. WALSH of Massachusetts. I see the Senator from New Mexico is now in the Chamber. Would the Senator from Wisconsin be willing to yield in order that the Senator from New Mexico might read to the Senate the revised amendment he intends to propose?

Mr. BLAINE. Mr. President, as I understand the parliamentary situation, the amendment offered by the Senator from Louisiana to the amendment offered by the junior Sen-

ator from Michigan is the pending question. I am not informed whether or not disposition can be made of those amendments very quickly and the substitute amendment may be offered by the Senator from New Mexico. The question has been asked whether I am informed about the text of that amendment. I did not desire to attempt to state the text of the proposal from memory.

Mr. BRATTON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from New Mexico?

Mr. BLAINE. I yield.

Mr. BRATTON. I should be glad to read to the Senator the text of the amendment as it will read after it has been perfected, as I intend to perfect it before it shall be offered.

Mr. WALSH of Massachusetts. I wish the Senator would do that.

Mr. BRATTON. If the Senator from Wisconsin will indulge me, it will then read as follows—

The VICE PRESIDENT. The Senator from Wisconsin has yielded for that purpose.

Mr. BRATTON. As proposed to be perfected, the amendment would read as follows:

(c) A national banking association may, with the approval of the Comptroller of the Currency, establish and operate new branches within the limits of the city, town, or village, or at any point within the State in which said association is situated, if such establishment and operation are at the time expressly authorized for State banks by the law of the State in question. No such association shall establish a branch outside of the city, town, or village in which it is situated unless it has a paid-in and unimpaired capital stock of not less than \$500,000.

Mr. WALSH of Massachusetts. I inquire if the amendment which the Senator from New Mexico has read about branch banking meets with the approval of the Senator from Virginia?

Mr. GLASS. In a sense, yes; and in a sense, no. I prefer the amendment offered by the junior Senator from Michigan [Mr. VANDENBERG], but in the event that that should not meet the concurrence of the Senate I would welcome the other amendment.

Mr. WALSH of Massachusetts. I thank the Senator.

Mr. BULKLEY and Mr. BRATTON addressed the Chair.

The VICE PRESIDENT. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. BLAINE. I yield first to the Senator from New Mexico. Then I will yield to the Senator from Ohio.

Mr. BRATTON. Mr. President, I may say to the Senator from Wisconsin, and likewise to the Senator from Massachusetts, that it is my purpose to offer this amendment as a substitute at the first opportunity.

Mr. BLAINE. May I inquire further of the Senator if this language is embraced in the amendment which he proposes?—

And under restrictions as to location imposed by the law of the State on State banks.

Mr. BRATTON. Mr. President, that is not included in the text as I read it. The Senator from Wisconsin suggested that amendment to me; and if he proposes it, I shall be agreeable to it.

Mr. BLAINE. I thank the Senator.

Mr. BULKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. BLAINE. I do.

Mr. BULKLEY. I desire to call attention to the fact that the amendment offered by the Senator from New Mexico [Mr. BRATTON] is not necessarily a substitute for the amendment of the Senator from Michigan [Mr. VANDENBERG] and is not inconsistent with it in any way. The amendment of the Senator from Michigan relates to preventing competition by a branch of a large bank against an existing unit bank; whereas the amendment of the Senator from New Mexico could go right along beside that, because it provides only for limitation within the requirements of State laws.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Wisconsin agree that we may have printed in the RECORD now the amendment of the Senator from Michigan, in order that we may have both of these amendments for purposes of comparison?

Mr. BLAINE. I have no objection.

Mr. WALSH of Massachusetts. I make the unanimous-consent request that the amendment of the Senator from Michigan [Mr. VANDENBERG] be printed in the RECORD in order that comparison may be made between that and the amendment of the Senator from New Mexico [Mr. BRATTON].

The VICE PRESIDENT. Is there objection?

Mr. GLASS. Mr. President, if the Senator will yield, the Senator may obtain a printed copy of the amendment.

The VICE PRESIDENT. Does the Senator withdraw his request?

Mr. WALSH of Massachusetts. No; I make my request for the sake of completing the RECORD.

The VICE PRESIDENT. Is there objection to printing the amendment in the RECORD? The Chair hears none.

Mr. COPELAND and Mr. FLETCHER addressed the Chair.

Mr. BLAINE. I yield to the Senator from Florida.

The VICE PRESIDENT. Will the Senator suspend? The Senator from New York was on his feet, intending to object.

Mr. COPELAND. Reserving the right to object.

The VICE PRESIDENT. Reserving the right to object; so the Chair will withdraw the statement that unanimous consent was granted.

Mr. COPELAND. What was the request of the Senator?

Mr. WALSH of Massachusetts. The Senator from New Mexico [Mr. BRATTON] has read his proposed amendment dealing with the subject of branch banking. The Senator from Ohio [Mr. BULKLEY] states that it is not particularly different in language from the amendment of the Senator from Michigan. Therefore, I ask that both be printed in the RECORD for the sake of comparison.

Mr. BULKLEY. Mr. President, the Senator misunderstood me. I did not say it was not different; I said it was not inconsistent. Both amendments could be adopted and have a consistent section.

Mr. WALSH of Massachusetts. I appreciate the suggestion.

Mr. COPELAND. May I ask the Senator to include also the amendment which I offered on the 9th of May, which bears on the same subject, so that the three may be printed?

Mr. WALSH of Massachusetts. If the Senator makes that request, there will be no objection, I am sure.

The VICE PRESIDENT. Is there objection to the modified request to print the three amendments in the RECORD? The Chair hears none, and it is so ordered.

Mr. WALSH of Massachusetts. That clarifies the situation very much.

The amendments are as follows:

Amendment intended to be proposed by Mr. BRATTON: On page 46, beginning with line 17, strike out all through line 8, page 47, and insert in lieu thereof the following new paragraph:

"(c) A national banking association may, with the approval of the Comptroller of the Currency, establish and operate new branches within the limits of the city, town, or village, or at any point within the State in which said association is situated, if such establishment and operation are at the time expressly authorized for State banks by the law of the State in question. No such association shall establish a branch outside of the city, town, or village in which it is situated unless it has a paid-in and unimpaired capital stock of not less than \$500,000."

Amendment proposed by Mr. VANDENBERG: On page 45, line 8, after the period insert the following: "Except in a city, town, or village where there is no national or State bank regularly transacting customary banking business, no such association shall establish a branch except by taking over a unit bank existing at the time of the enactment hereof or an affiliate of such association."

Amendment intended to be proposed by Mr. COPELAND: On page 44, line 24, after the word "situated," insert a comma and the following: "if such establishment and operation are at the time permitted to State banks by the law of the State in question."

Mr. FLETCHER. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. BLAINE. I yield.

Mr. FLETCHER. As a humble member of this committee that sat for days and days and weeks and weeks on this bill, I desire to say that I am not willing to agree to either of these amendments. I think the bill ought to be passed as it is reported here, and I wish to be heard on that subject. I do not want this provision for branch banking practically destroyed by the proposals now being made.

Mr. BLAINE. Mr. President, I desire to inquire of the Chair how much of my time has been consumed by other Senators.

The VICE PRESIDENT. The Senator has 10 minutes left.

Mr. BLAINE. Of the 30 minutes?

The VICE PRESIDENT. Ten of the thirty minutes.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent that the discussion that has taken place be eliminated from the computation of the Senator's time.

The VICE PRESIDENT. Is there objection? The Chair hears none. The Chair will recognize the Senator from Wisconsin for a half hour, in view of the time that has been taken up in asking and answering questions.

Mr. BLACK. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Alabama?

Mr. BLAINE. For a question.

Mr. BLACK. I simply want to ask a question. Does the Senator understand that under this substitute that is to be offered branch banking will be allowed in a State if the State permits branch banking under State law?

Mr. BLAINE. That is the purport of the amendment.

Mr. BLACK. Is the Senator supporting that amendment?

Mr. BLAINE. I am not going to discuss that amendment at the present time.

Mr. BLACK. Mr. President, I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BLACK. I wish to vote against all branch banking. I am not satisfied with that amendment. I desire to know if it will be in order to move to strike out—

Mr. BLAINE. I suggest that my time is expiring.

The VICE PRESIDENT. The Senator from Alabama may submit his parliamentary inquiry.

Mr. BLACK. I am submitting a parliamentary inquiry.

Mr. BLAINE. I beg the Senator's pardon.

Mr. BLACK. I desire to know if it will be in order, before this substitute or amendment is voted upon, to vote upon a motion to strike out the section of the bill which provides for branch banking.

The VICE PRESIDENT. The Senate has a right to perfect the provision before a motion to strike out is in order.

Mr. BLACK. Mr. President, a further parliamentary inquiry: Then the only way to reach the matter would be to make a motion to strike out the entire section with reference to branch banking, if this substitute should be adopted?

The VICE PRESIDENT. After all the amendments are offered and passed upon, a motion to strike out would be in order.

The Senator from Wisconsin is recognized.

Mr. BLAINE. Mr. President, I desire to address my remarks to the pending amendment.

It is not my intention to repeat what I said at the last session of Congress in opposition to branch banking, but I am sure that those who are present now may not have had occasion to be present at that time. I desire to point out briefly, therefore, that under a branch-banking system, such as is proposed by section 19 of the pending bill, the respective communities in which branch banks may be located will be deprived of a source of revenue in the way of taxation to which they are entitled under a unit system of banking. In a State that imposes an income tax, the larger portion of which goes to the town, city, or village in which the branch bank has its place of business, smaller communities—in fact, all communities—will have siphoned out of them that source of revenue.

If the State imposes an ad valorem tax on intangibles, then there would be no intangibles to be taxed against the branch bank. In either case the only tax that could be imposed would be a tax upon the bank building and the fixtures within the bank. Thus branch banking will have the tendency to drain communities not only of credit and cash but also of tax money.

I pointed out during the last session that after all our public schools, our libraries, our courthouses, our health undertakings, police protection, sanitation, and all of the things that are worth while to a people are paid for through payments by the local taxpayer into the local treasury; and under those circumstances it seems to me that it would be unfair to create a system by which these communities, which need the tax money so badly to support those worth-while institutions, would have that money siphoned out into some central and larger city. That would be particularly oppressive to the smaller communities.

I also pointed out that branch banking in Canada was safe because, under the Canadian system of banking, those banks do not take a chance. In other words, they do not extend credit. Since they do not extend credit, of course they do not have the bank failures that we have had in the United States. Had the banks, State or national, in the United States declined and refused credit to agriculture such as has been denied under the law of the Dominion of Canada to agriculture, and, for that matter, to the home owner, our local banks in many instances would not have failed.

As I pointed out before the vote on the cloture rule, the literature upon this question is very meager, but I find from some of the articles that have been printed in financial publications some very interesting facts in connection with branch banking in Canada.

First, under the branch-banking system of Canada those banks do not loan upon real estate. Therefore, during the last 10 or 12 years, when agriculture has been going through this terrific depression here in America and the same thing has been going on in Canada, the branch banks having no loans upon real estate, no loans upon farms, no loans upon homes, of course had no losses due thereto. Here in America, however, it was the unit, independent bank that supported agriculture, supported the home owner, supported industry, and supported business and commerce all over the United States. It took the chance. The unit banking system is not responsible for the failures that have taken place in America.

Another very interesting fact respecting the branch banking system in Canada:

Under the Dominion laws I find a most oppressive system. For instance, take a bank in Montreal. As I understand and as the literature discloses, all of the parent banks in Canada are located in the eastern part of Canada, largely in Montreal and Ottawa. I do not understand that there is a single parent bank in the western portion of Canada. There are a few branch banks, and those are largely receiving stations. I want to point out the oppressive system under which the branch banking institutions of Canada operate against the borrower.

Let me say, in passing, that the branch banking system of Canada does give some intermediate credit to agriculture and to business and, of course, largely to commerce. Outside of that, it does not extend credit to the farmer or the home owner.

The branch banks of Canada may make loans upon standing timber. Let me trace the steps through which that timber may go and yet the lien on that timber remain intact. Take, for instance, a bank lending \$100,000 on standing timber in the western portion of Canada. It files its lien. When that timber is cut into logs, that lien still attaches to the logs. When those logs are sawed into lumber, that lien still attaches to the lumber. That lien attaches to that material, which in the first instance was a raw material, until the debt is discharged, no matter into what processes the timber may go.

Take pulpwood, for instance. The branch-banking system of Canada may lend money on the standing timber out of which pulpwood is made. It is cut into cordwood for pulpwood. It is transported. That lien attaches to that cordwood pulpwood. Then it is ground into pulp. The lien still attaches to the pulp. The pulp then is made into paper, and the lien still attaches to the paper made out of the pulpwood. So that under the Canadian system of banking there is a method designed by which the lien attaches all the way from the raw material until it reaches the finished product, thus affording a security which does not obtain here in the United States.

It has been that system which obtains in the Dominion of Canada—of attaching the lien through the various processes—that has made loans secure. In the very system that denies loans to farmers and home owners we find the reason why bank failures have not been prevalent in Canada.

I want to read two excerpts, one taken from the Times Trade and Engineering Supplement of July 27, 1931, as follows:

DOMINION OF CANADA

[From an Ottawa correspondent]

There has been considerable criticism, chiefly coming from the west, of the banking system for its failure to provide adequate credit for the farmers. Undoubtedly the banks, in view of the severity of the agricultural depression, have shown a disposition to be extremely conservative in making loans to farmers this spring, and opposition papers and politicians have freely assailed them for their hard-heartedness—

The loans to which reference is made are loans under an intermediate-credit system, and not loans upon the real estate. I continue the article:

Further, Mr. Weir, the Minister of Agriculture, was moved to utter, in speeches at Toronto and at Montreal, solemn warnings to the banks that they must not restrict the credit of deserving farmers, and that if they did not supply the proper banking services somebody else would. The western criticism of the banks came to a head in a debate in Parliament on May 13, when Mr. Coote, a Progressive member who had at one time been a bank manager, moved a resolution urging the establishment of a state-owned central bank. He contended that the existing banking system did not provide adequate service for certain elements in the community, particularly the farmers, and that a central bank was urgently needed to control price fluctuations.

Therefore, it can not be said that the branch-banking system of Canada is serving agriculture or the home owner.

Again I read from the Economist, of London, an article dated October 10, 1932, on Banking in Canada. The article follows:

The agricultural depression in the prairie country, aggravated this year by a partial crop failure, has left the banks with a quantity of loans to farmers whose liquidation must perforce be postponed—

It was intermediate-credit loans—

and they have been subjected to a considerable barrage of criticism from western politicians for their present conservative attitude toward further loans to farmers.

I now quote this from Commerce and Finance, Canadian section, of June 1, 1932:

Another factor which under certain conditions has lent great strength to Canadian banking practice is the fact that as a rule Canadian banks carry no loans on real estate. The Canadian bank act makes it legally impossible for a bank to make a mortgage loan. Otherwise no restrictions are imposed on the character of investments which banks may hold, but the Government returns indicate that in practice the Canadian banks have been most conservative in this respect.

Summed up, therefore, the branch banking system of Canada is nothing more than a purely commercial banking system. It does not furnish money for agriculture, it does not furnish money for home owners, it has a system by which the security taken for a loan advanced as an intermediate credit attaches to the raw material from the inception of the security until that raw material enters the finished product. Therefore, anyone who purchases any product made from such raw material must observe whether or not the loan has been paid, whether or not the lien has been discharged.

We have not that system in the United States, and if we had that system here I am sure that to-day there would be practically no credit in the United States to be furnished by the banks of this country.

Mr. President, under the restriction as to time I will have to chop my remarks up into several parts.

The VICE PRESIDENT. The Senator has about 10 minutes left until 2 o'clock.

Mr. BLAINE. On the pending amendment?

The VICE PRESIDENT. Yes.

Mr. BLAINE. Within those 10 minutes I want to call attention to another very important feature in connection with branch banking in Canada. There have been branch banks in Canada which have failed. I will not go into the details, as that matter was all reviewed at the last session of the Congress. But I want to emphasize the point that when a bank takes no chances, when a bank does not advance money to agriculture, or to home owners, when a bank engages only in commercial transactions, secured as the branch banks of Canada have their loans secured, it must be perfectly obvious that if we had that system of banking here in the United States commerce and industry would be paralyzed and could not operate. Our country is so vast, our interests are so numerous, the complexity of our industry and commerce is so great, that a branch banking system such as that operated in Canada would not serve the best interests of our country.

The only claim made for branch banking is the security it affords, and those who make that claim point to the success of branch banking in Canada. It appears to me, Mr. President, with the brief explanation I have undertaken to make respecting the branch-banking system of Canada, it could not be used as a comparison with American banking, that if the branch-banking case rests upon the Canadian system, by analogy, by comparison, or by practice, then the argument for branch banking in the United States must fall.

Those who desire to have branch banking established on a wide scale in the United States, it seems to me, should be required to present to the Senate something more than declarations and declamations. That is all we have. It is all that is contained in the testimony taken before the Committee on Banking and Currency; it is all that is contained in the testimony taken by the subcommittee, declarations and declamations; but that is not evidence.

Mr. President, my time has expired. I do not want to discuss the bill as a whole at this time. I may desire further to discuss the branch-banking proposition in connection with some other amendment.

Mr. FLETCHER obtained the floor.

Mr. WALSH of Massachusetts. Mr. President, I understand the Senator from Florida is to discuss the whole question of branch banking and is opposed to all the pending amendments.

Mr. FLETCHER. That is correct.

Mr. WALSH of Massachusetts. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRAZIER in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Pittman
Austin	Couzens	Hull	Reed
Bailey	Cutting	Johnson	Reynolds
Bankhead	Dale	Kean	Robinson, Ark.
Barbour	Davis	Kendrick	Robinson, Ind.
Bingham	Dickinson	Keyes	Russell
Black	Fess	King	Schall
Blaine	Fletcher	La Follette	Schuyler
Borah	Frazier	Logan	Sheppard
Bratton	George	Long	Shipstead
Brookhart	Glass	McGill	Shortridge
Broussard	Glenn	McKellar	Smith
Bulkeley	Goldsbrough	Metcalf	Smoot
Bulow	Gore	Moses	Steiwer
Byrnes	Grammer	Neely	Stephens
Capper	Harrison	Norbeck	Swanson
Caraway	Hastings	Norris	Thomas, Idaho
Connally	Hatfield	Nye	Thomas, Okla.
Coolidge	Hawes	Oddie	Townsend
Copeland	Hayden	Patterson	Trammell

Tydings
Vandenberg
Wagner

Walcott
Walsh, Mass.

Walsh, Mont.
Watson

Wheeler
White

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present. The Senator from Florida has the floor.

Mr. FLETCHER. I would not take up a moment's time of the Senate if it interfered in any way with an early vote on the bill. I would be glad to have the vote taken immediately on each and every amendment and on through to the final vote on the bill, but I know there is going to be considerable discussion, so I feel justified in submitting a few observations, particularly with reference to the branch-banking feature of the bill, which I shall reach in a moment.

I am delighted to see the Senate taking the bill seriously. Evidently there is prospect of action on the bill within a reasonable time, and I think that will be a great thing for the country. I think the legislation is needed, very greatly needed. There is a demand everywhere, and all thoughtful people recognize, I believe, the importance of some reform in our banking and currency legislation.

This point has been called to the attention of the Senate on previous occasions, but I think it worth while to mention it again by way of impressing it, if I may, upon the minds of Senators, particularly those who have not had the time to go into all the details of the bill and study the whole problem. In pursuance of resolution 71, adopted at the second session of the Seventy-first Congress, this matter was taken up by the Committee on Banking and Currency of the Senate. A subcommittee was appointed to study the bill, to hold hearings, and investigate and go into the whole question fully. The distinguished Senator from Virginia [Mr. GLASS] was chairman of that subcommittee. The subcommittee spent weeks and months studying the whole problem. They invited the experts and so-called experts, the economists, bankers, industrialists, and all who had any views to submit in reference to it. Extensive hearings were held.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I yield.

Mr. LONG. I know the Senator does not want to state the facts incorrectly, and in order to get the record before him, in the presence of the Senator from Virginia [Mr. GLASS], let me say that I have here a transcript of just what was done with this particular bill, furnished me this morning by my colleague from Oklahoma [Mr. THOMAS]. It shows very clearly from a reading as to this particular bill, as I understand it—and if I am wrong about it I want to be corrected—that there were no hearings held at all on this bill which we are now discussing. I am not talking about the subject matter.

Mr. FLETCHER. I will explain that in a moment, if the Senator will hear me through.

The bill as originally introduced was revised a number of times. Probably there have been three or four different prints and redrafts of the bill. The subcommittee made many changes in it. Then the subcommittee, after hearings extending over a period of something like a year, made its report to the full committee with a reprint of the re-drafted bill. The bill now before us is the final draft. It is not the original bill as it was introduced. The original bill was altered three or four different times. As a result of all those hearings before the subcommittee, many changes were made in an effort to adjust differences between those who had views to submit and in order to arrive at a final conclusion.

The subcommittee reported to the full committee. The full committee then held hearings extending over a period of some three or four months. In other words, there had been about 18 months of time spent on the bill. I say "the bill." I mean the original bill. Finally, the full committee, after hearings and after examination of the subcommittee hearings and after the report of the subcommittee, went over the subject matter and the bill line by line and word

by word, spending three or four months of time on it, and the full committee agreed upon this bill as the final draft of the measure which had been originally introduced by the Senator from Virginia.

Mr. LONG. I admit all the Senator says; but I want to ask the Senator this question: Is it exactly regular, even though the committee did after hearings decide that they ought to have another bill, then to introduce another bill covering volumes of business as this bill does? Is that exactly regular—to introduce it and have it reported back and put on the calendar the same day?

Mr. FLETCHER. Yes, I will say to the Senator, it is entirely regular. It is in accordance with the practice. I remember when the farm loan bill was introduced. I introduced a bill to establish the farm-loan system. It was referred to the Banking and Currency Committee. That committee referred it to a subcommittee. The subcommittee reported it back with amendments. Then the bill was reintroduced, even by another Senator, taking a different title, which included my bill with certain amendments to which the committee had agreed. Instead of reporting my bill with the amendments, they acted upon a bill which embodied substantially all of the material of my bill so as to avoid reporting the bill with a lot of lines stricken out and a lot of lines inserted—in a word, a mutilated bill.

That was the course pursued in this case, except that the Senator from Virginia introduced the original bill and introduced this one and has remained in charge of it. This bill is the bill as finally agreed upon by the Banking and Currency Committee, reported the same day that it was introduced, but it is the bill that was introduced as the final draft of the original bill without setting out all sorts of amendments and changes that had been made. A new clean copy of the bill was introduced and reported out embodying the work of the subcommittee and the full committee, and is the last expression upon the whole subject. I think it is worth while to remember that.

It is hardly safe, but rather risky, I submit, for Senators on the floor to introduce on first impression amendments to a bill which has been so sifted, so examined, so studied, and so framed after months and months of investigation and hearings and study. An amendment now would appear to be harmless in a way; some Senator might think, "I can improve this bill if I offer this amendment," but he does not reflect that it may change other features of the bill; that it would deviate and alter the whole structure of the bill in some respects. Certain amendments, of course, might be perfectly harmless and might be agreed to. Take section 19, for instance; it is a short section, all by itself, covers one subject, and anyone who wants to deal with that subject alone may be justified in offering an amendment to meet the situation which he may have in mind.

Now, I wish to impress upon the Senate the fact that this is not a hastily drawn or hastily considered or immaturely considered bill. It is a bill which was worked on laboriously and devotedly by the subcommittee, of which the distinguished Senator from Virginia was chairman, for some 12 months, and for 3 or 4 months after that, as reported by the subcommittee, was under hearing and investigation and study by the full committee. This bill is the final result of all that work and all that study and all that consideration, and it seems to me that the Senate ought to understand that it is the result of such effort and study, after hearing from all parts of the country, extending over months and months of time.

Mr. LONG. Mr. President, will the Senator permit me to ask him another question?

Mr. FLETCHER. Of course, the Senator realizes that my time is limited.

Mr. LONG. I will ask unanimous consent that such time as I may consume in asking the Senator the question shall not be deducted from his time. I ask unanimous consent to that effect.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FLETCHER. I yield to the Senator from Louisiana.

Mr. LONG. Why does the Senator want to take the Secretary of the Treasury of the United States off the Federal Reserve Board?

Mr. FLETCHER. Mr. President, that subject was gone into quite extensively by the Senator from Virginia in his argument. He bases the proposal not only on his experience and knowledge as a member of the Banking and Currency Committee of the House and as a member of the Banking and Currency Committee of the Senate but as Secretary of the Treasury. In his view the dominating influence of the Secretary of the Treasury on that board is not wise.

Mr. LONG. I am not talking about the opinion of the Senator from Virginia, but, in the opinion of the Senator from Florida, is it better for the Government to be taken out of this picture in running the Federal Reserve Board? I repeat, I am not asking the Senator from Florida what is the opinion of the Senator from Virginia; but the Senator from Florida has been here longer than has the Senator from Virginia, and I ask him if he has ever advocated, or does he advocate now, that we ought to take the Secretary of the Treasury, representing the Government, off the board?

Mr. FLETCHER. I do. I think that is a wise provision in the bill. I think the board ought to be, as far as possible, independent and not controlled or dominated by the Treasury Department of the Government.

Mr. LONG. It is the Government, of course, that gives the resources to it.

Mr. FLETCHER. Oh, yes. It is an advisory, supervising authority, and it ought not to be controlled or dominated by the Secretary of the Treasury or the Comptroller of the Currency or any official of that kind.

Mr. GLASS. Mr. President, the Senator from Florida does not mean to admit, I think, that the Government gives the Federal reserve system any resources?

Mr. FLETCHER. No. I did not understand the question of the Senator from Louisiana so to indicate.

Mr. LONG. I do mean to say that it gives it resources. By this bill the Government gives the system the excess-profits taxes, for one thing, which have heretofore been going into the United States Treasury. Then it gives it \$125,000,000 of the people's money to set up a liquidating corporation. Now, with the Treasury of the United States to be raked to the bottom to get several hundred million dollars, or, at least, I will say a few hundred million dollars, in the course of time, the Secretary of the Treasury is going to be taken off the board, with the Government putting up the money, whereas they left the Secretary of the Treasury on heretofore without the Government putting up the money. There seems to me to be all the more reason, with the Government putting up the money, why he ought to be left on the board.

Mr. FLETCHER. I do not understand that by this bill the Government is putting up any money for the Federal Reserve Board. The money of which the Senator speaks was not the taxpayers' money. It represented the earnings, over and above 6 per cent, of the Federal reserve banks themselves, and was in the nature of an excise tax taken by the Government out of the profits which the banks had earned. That money has not been earned by the people or by other banks; it has been earned by the reserve banks themselves. It was a tax on those banks.

Mr. LONG. It has been money of the Government up to this time, has it not?

Mr. FLETCHER. It was put into the Treasury under the law.

Mr. LONG. I say it is the money of the Government to-day, and the people of America get that money to-day. Now we are going to take it away from them and give it to the banks.

Mr. FLETCHER. No; it will not be given to the banks; it will be set aside as a fund for the protection of the people, for the protection of the depositors in banks.

Mr. LONG. Then, over and above that, we are giving them \$125,000,000 out of the Treasury of the United States. There is that much, and then a most complete franchise for a monopoly is being given to them. As compensation for

that I thought we were going to add the Secretary of Agriculture to the board, but, instead of that, it is proposed to give the banks this money of the Government, and, instead of adding another official of the Government to the board for our money, it is proposed to take the official representing the Government off the board.

Mr. FLETCHER. I do not see how the Secretary of the Treasury could be concerned in that.

Mr. GLASS. Mr. President, will the Senator yield to me for a moment?

Mr. FLETCHER. I yield to the Senator.

Mr. GLASS. I should like to invite the attention of the Senator from Florida to this fact: Of course, he knows that the Government is not giving the reserve banks a cent; he knows that in the bill as presented there was what we termed a recapture clause of \$125,000,000 that the Government never should have had on earth, because it never did a thing on earth to earn it. The Senator from Florida, of course, knows further that there is now on the desk pending or will soon be pending an amendment, drafted by me at a suggestion of the Senator from Montana, making that sum in the nature of a subscription to the joint stock of the liquidating corporation for the benefit of depositors in failed banks rather than the recapture from the Treasury of an inequitably obtained fund. The Senator from Florida knows that, and I think the Senate generally understands it.

Mr. LONG. If that is true, why not add another clause giving the banks back all the taxes they have ever paid to the United States? If that is the principle we are operating on, then all the taxes that have been collected from these banks ought never to have been collected and they ought not to have paid anything to help support the Government. If, as I understand, that is the position of the Senator from Virginia, then why not do a just act by taking the Comptroller of the Currency off the board, and giving them back all the ad valorem and franchise taxes the reserve banks have paid? Why not do complete justice in this matter?

Mr. GLASS. Mr. President, as a matter of fact, the Senator from Florida knows that by the text of the law these banks are all exempt from taxation, being agencies of the Government.

Mr. FLETCHER. This money does not go back to the banks.

Mr. LONG. As I understand, then, the Senator now contends that they are agencies of the Government. Heretofore the Senator said they are not agencies of the Government and ought to be divorced from the Government; and yet we are making them an agency of the Government and at the same time taking the representative of the Government off the board. That is the most inconsistent thing I have ever heard of, and I do not understand the theory of it.

Mr. FLETCHER. The whole board is a Government agency. The Government is represented even without the Secretary of the Treasury; it is not necessary for the Secretary of the Treasury to be a member of the board for the Government to be interested in its operations or in its work.

Mr. President, I was proceeding to say the need of legislation of this kind is apparent to every thoughtful citizen of the country. It is demanded by the situation in order to strengthen our financial structure, in order to increase banking facilities, to safeguard the rights and interests of depositors in banks, and to give reasonable stability and soundness to our banking and currency laws.

I need not refer to various authorities on that subject. I would be content now, as time is passing, with calling attention to the recent message of the President, in which he devotes nearly two pages—pages 6 and 7—to banking. He says:

The basis of every other and every further effort toward recovery is to reorganize at once our banking system. The shocks to our economic system have undoubtedly multiplied by the weakness of our financial system.

He goes on and discusses the subject quite at length, and mentions that bank failures rose in 1931 to 10½ per cent of all the banks, as compared to 1½ per cent of failures of all other types of enterprises. The President further states:

Since January 1, 1930, we have had 4,665 banks suspend, with \$3,300,000,000 in deposits. Partly from fears and drains from abroad, partly from these failures themselves (which, indeed, often caused closing of sound banks), we have witnessed hoarding of currency to an enormous sum, rising during the height of the crisis to over \$1,600,000,000.

Then he discusses the subject quite fully, and winds up by saying:

I wish again to emphasize this view: That these widespread banking reforms are a national necessity and are the first requisites for further recovery in agriculture and business. They should have immediate consideration as steps greatly needed to further recovery.

That is sufficient authority, I think, on the subject of the necessity for legislation of this kind. I ask to have that portion of the message entitled "Banking" inserted in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

BANKING

The basis of every other and every further effort toward recovery is to reorganize at once our banking system. The shocks to our economic system have undoubtedly multiplied by the weakness of our financial system. I first called attention of the Congress in 1929 to this condition, and I have unceasingly recommended remedy since that time. The subject has been exhaustively investigated both by the committees of the Congress and the officers of the Federal-reserve system.

The banking and financial system is presumed to serve in furnishing the essential lubricant to the wheels of industry, agriculture, and commerce; that is, credit. Its diversion from proper use, its improper use, or its insufficiency instantly brings hardship and dislocation in economic life. As a system our banking has failed to meet this great emergency. It can be said without question of doubt that our losses and distress have been greatly augmented by its wholly inadequate organization. Its inability as a system to respond to our needs is to-day a constant drain upon progress toward recovery. In this statement I am not referring to individual banks or bankers. Thousands of them have shown distinguished courage and ability. On the contrary, I am referring to the system itself, which is so organized, or so lacking in organization, that in an emergency its very mechanism jeopardizes or paralyzes the action of sound banks and its instability is responsible for periodic dangers to our whole economic system.

Bank failures rose in 1931 to 10½ per cent of all the banks as compared to 1½ per cent of the failures of all other types of enterprise. Since January 1, 1930, we have had 4,665 banks suspend, with \$3,300,000,000 in deposits. Partly from fears and drains from abroad, partly from these failures themselves (which indeed often caused closing of sound banks), we have witnessed hoarding of currency to an enormous sum, rising during the height of the crisis to over \$1,600,000,000. The results from interreaction of cause and effect have expressed themselves in strangulation of credit which at times has almost stifled the Nation's business and agriculture. The losses, suffering, and tragedies of our people are incalculable. Not alone do they lie in the losses of savings to millions of homes, injury by deprival of working capital to thousands of small businesses, but also, in the frantic pressure to recall loans to meet pressures of hoarding and in liquidation of failed banks, millions of other people have suffered in the loss of their homes and farms, businesses have been ruined, unemployment increased, and farmers' prices diminished.

That this failure to function is unnecessary and is the fault of our particular system is plainly indicated by the fact that in Great Britain, where the economic mechanism has suffered far greater shocks than our own, there has not been a single bank failure during the depression. Again, in Canada, where the situation has been in large degree identical with our own, there have not been substantial bank failures.

The creation of the Reconstruction Finance Corporation and the amendments to the Federal reserve act served to defend the Nation in a great crisis. They are not remedies; they are relief. It is inconceivable that the Reconstruction Corporation, which has extended aid to nearly 6,000 institutions and is manifestly but a temporary device, can go on indefinitely.

It is to-day a matter of satisfaction that the rate of bank failures, of hoarding, and the demands upon the Reconstruction Corporation have greatly lessened. The acute phases of the crisis have obviously passed, and the time has now come when this national danger and this failure to respond to national necessities must be ended and the measures to end them can be safely undertaken. Methods of reform have been exhaustively examined. There is no reason now why solution should not be found at the present session of the Congress. Inflation of currency or governmental conduct of banking can have no part in these reforms. The Government must abide within the field of constructive organization, regulation, and the enforcement of safe practices only.

Parallel with reform in the banking laws must be changes in the Federal farm loan banking system and in the joint-stock land banks. Some of these changes should be directed to permanent improvement and some to emergency aid to our people where they wish to fight to save their farms and homes.

I wish again to emphasize this view—that these widespread banking reforms are a national necessity and are the first requisites for further recovery in agriculture and business. They should have immediate consideration as steps greatly needed to further recovery.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I yield.

Mr. LONG. I wonder if the Senator ever read that great work entitled "An Adventure in Constructive Finance," by CARTER GLASS?

Mr. FLETCHER. I think I have read portions of it, if not all of it.

Mr. LONG. I wonder if the Senator was impressed by the learned remarks of the distinguished author wherein he says:

We cured this financial cancer by establishing regional reserve banks and making them, instead of private banks in the money centers, custodians of the reserve funds of the Nation; by making them also, instead of correspondent banks, the great rediscount agencies of the country; by making them minister to commerce and industry rather than to the schemes of speculative adventure. The country banks were made free. Business was unshackled.

I am wondering now, with shackling them up and chaining them up, how that language corresponds with the idea of the Senator, and whether he feels that he should accept the advice of Mr. GLASS as given in this little book, which is one of the proud possessions of the Government archives and of all standard libraries throughout the length and breadth of the world, or if he would accept the more or less insignificant advice he is now reading?

Mr. FLETCHER. Of course, I can not analyze that work at this time and I can not consider selected sections of it disconnected with some other portion. The Senator will realize that I had better confine myself to the subject.

Now, let us see what the situation really is.

In 1900 the national bank act was amended so as to reduce the \$25,000 minimum capital required for a new bank in towns with not more than 3,000 population. National banks multiplied, in 20 years, from 3,900 to more than 8,000. That is one of the features of this bill that I think is admirable. It makes the minimum capital \$50,000; and I think it is very important that we should increase the requirement as to the minimum capital of these banks. It ought to be increased in all the States. In some States a bank is issued a charter with only five or ten thousand dollars capital. In some States the minimum capital of State banks is \$10,000, while that of national banks is \$25,000. In my judgment it is a mistake to charter a bank with a capital of that size and invite deposits of money from the people with only that liability and responsibility back of them.

State banks also have increased in number. Some States permit a capital as low as \$5,000, and some as low as \$10,000.

In 1900 there were 3,700 national banks and 4,600 State commercial banks and trust companies.

In 1921 there were 8,100 national banks and 20,300 State commercial banks and trust companies.

At the peak 30,800 National and State savings and private banks and trust companies were operating. To-day 19,000 survive. Practically 12,000 have gone under. Losses to depositors in the last 2¾ years were \$1,650,000,000—practically \$2,000,000,000 losses to depositors.

The situation further is that in 1931 and 1932 there were 6,987 suspensions, of which 4,276, or 61 per cent, were banks with capital of \$25,000 or less; 6,032, more than 86 per cent, were in towns with less than 5,000 population. This indicates very clearly, I think, quite a serious situation with reference to the banks of the country; and if we can help out that situation, we ought to do it.

What remedies are proposed by the bankers who are objecting to the bill? There are some objections to the bill. Some people claim that we do not need any legislation; that we ought not to bother with this subject at all. The only remedies suggested by bankers, so far as I have been able to ascertain—and I get these from articles published in various periodicals—are, first, a commission to recommend legislation every 10 years, such as they have in Canada.

That, no doubt, is a very good idea; but we can not wait 10 years for some commission to go out and report, and I do not believe any commission that could be established would give to this subject the study and thought and consideration that has been given to this bill. If it is desired to appoint a commission 10 years from now, or within the next 10 years, to make some report, I have no objection to that; but that does not reach the present situation.

The next step is that the bankers complain that there has been overchartering and overbanking. We may grant that. We can not very well control that except as to national banks. We can not interfere with the chartering of banks in the States. I think there is a good deal to that criticism. There have been too many banks. I know localities of eight or ten thousand population with eight or ten banks. Of course, there was not sufficient business for these banks. Many of them had to go out of business. Then, too, there have been many bank failures where the responsibility was not on the banks themselves. The communities in which they were established failed, and there was not any other recourse. They had to fail.

There have been too many banks, perhaps. There has been overchartering. That is one objection; but that situation we can not control here. So far as the national banks are concerned, I think, with the restrictions in this bill, that objection will be largely removed.

Then they say, "Let improvements come from within the system"; in other words, let the bankers reform themselves. "Let the plan and reformation and needs all be worked out among themselves, within the system."

That is about the extent of the recommendations made by those who are opposing this legislation.

Establish a commission. Let a commission, 10 years from now, report something.

Stop issuing charters.

Let the system reform itself.

Of course we can not wait for that. We need to act now. There are only about 20,000 banks operating. The resources are \$50,000,000,000, including \$40,000,000,000 in savings accounts and more than \$25,000,000,000 in checking accounts; but bank deposits have shrunk about \$3,000,000,000 in recent years. Loans have shrunk.

Here is a statement from the Treasury Department, sent to me December 19 in answer to my inquiry, which shows that loans and discounts in October, 1929, were \$14,961,877,000; that the total deposits at that time were \$21,901,997,000.

This statement covers 1929, 1930, and 1931. I refer only to the situation in 1929 and in 1932.

Number of banks in 1932, 6,085, as against 7,437 in 1929. Loans and discounts, \$9,919,603,000 in 1932, as against \$14,961,877,000 in 1929.

Total deposits, September 30, 1932, \$17,681,917,000, as against \$21,901,997,000 in 1929.

I ask to have this statement inserted in the RECORD.

THE VICE PRESIDENT. Without objection, that order will be made.

The matter referred to is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 19, 1932.

HON. DUNCAN U. FLETCHER,

United States Senate.

MY DEAR SENATOR: In reply to your communication of the 16th instant, there is shown below a statement of the number, loans and discounts, capital stock paid in, and total deposits of national banks in the country as of the date of the fall call in each of the years 1929 to 1932, inclusive:

	Num- ber	Loans and dis- counts	Capital stock paid in	Total deposits
Oct. 4, 1929.....	7,473	\$14,961,877,000	\$1,671,274,000	\$21,901,997,000
Sept. 24, 1930.....	7,197	14,653,078,000	1,745,125,000	22,481,317,000
Sept. 29, 1931.....	6,658	12,479,935,000	1,656,374,000	20,379,384,000
Sept. 30, 1932.....	6,085	9,919,603,000	1,563,232,000	17,681,917,000

Yours very truly,

F. G. AWALT,
Acting Comptroller.

Mr. FLETCHER. Mr. President, that indicates somewhat the need of this legislation and the condition of affairs today. People to a large extent have lost confidence in the banks. There is apprehension and fear and suspicion everywhere. Postal savings have increased to \$881,000,000. A few years ago postal savings were comparatively small in amount. The people did not care to put their money in postal-savings banks at 2 per cent. Now they are putting their money there because they want safety first. They know that the postal savings are safe. They want safety. They are afraid of banks.

I have here a letter from a constituent in St. Petersburg, Fla., dated January 7, which shows the tendency of things. He says:

Just last week one of your lawmakers from Washington rented a cottage here in St. Petersburg for the winter for his family. He could not give a check, because he had no bank deposit, but had to return to Washington to get his money out of his deposit box and pay the rent.

That is the situation. People are afraid of the banks.

He says:

I have a friend in Indiana that has a large factory and employs several hundred men, and he has several thousand dollars in his deposit box.

If people of this type fear the banks, what can you expect of the average man or woman?

I have introduced two bills on the subject of guaranteeing bank deposits, and the Senator from Ohio [Mr. BULKLEY] has introduced a bill insuring bank deposits. There have been several bills on that subject; and the House has passed a bill—the Steagall bill—undertaking to protect depositors in banks. I am expecting that sooner or later we shall have to come to something like that. Those bills in the Banking and Currency Committee have been referred to a subcommittee of which I am chairman. We are trying to consider them now, but I see no possible chance of getting legislation on that subject at this short session. We shall have to come to that in the interest of the banks, however, as well as in the interest of the depositors, the people of the country who patronize the banks.

I was present at one time when a run was being made on a national bank. It looked as though the bank would soon have to close its doors. The people were taking their money out of the bank and carrying it across the street and putting it in the post office. Then they saw the post-office officials take the money back and put it in the same bank. That was called to their attention, and they stopped the run. They said, "If the Government can trust the bank, why should not we do it?" So they stopped the run. They did not know, however, that the Government was protected; the Government has security for all its deposits, and that is what the people want. They want some sort of security and protection for their deposits.

This bill does not give that, I grant you; but it does take a step in that direction in this liquidating-corporation provision. A step is taken toward protecting depositors in banks and giving them their money as soon as it can be made available, without waiting for long-extended receiverships and liquidators, with all their expenses of counsel, and all the delays incident thereto, and the small amount of dividends paid out until the trust is settled. That is one of the features of this bill which I very strongly favor.

Mr. KING. Mr. President, will the Senator suffer an interruption?

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I do.

Mr. KING. I should like to ask two questions, if I may, while I have the floor.

First, if the States that inaugurated the system of guaranteeing bank deposits failed to carry out the plan to a successful issue and abandoned it, does the Senator think there is greater virtue in the Federal Government, that there is a sort of divinity that hedges about Federal officials that will cause them to act with greater wisdom than State officials?

That is one question.

Secondly, in view of the very large number of banks that have failed, with the very large amount of deposits, does the Senator think that \$125,000,000 spread over the entire country, with such debentures as may be issued, will ameliorate the condition very much?

Mr. FLETCHER. I think undoubtedly the very fact that that fund is provided will give confidence in itself. I think it can be made adequate under this bill.

As to the failure of these guaranty measures introduced in the different States, I quite agree that that has been their history, but I can answer the Senator to a greater extent when we get into that subject than I will take the time to do now. The States have smaller territories, with smaller activities, and a tremendous failure of one big bank in a State may almost wreck the guaranty system. Then it gets into politics, and the management and all that sort of thing has to be considered, and it goes down. But take the case of fire insurance or life insurance. Those companies do not venture to put all their risks in one locality, in one community, or in one State.

The VICE PRESIDENT. The time of the Senator from Florida has expired.

Mr. FLETCHER. I have not gotten to the subject yet.

Mr. LONG. Mr. President, in the absence of the Vice President, unanimous consent was given that the time during which the Senator was interrupted should not be included in computing his time.

The VICE PRESIDENT. That has been taken out, and the Senator now has occupied three-quarters of an hour.

Mr. LONG. I ask unanimous consent that the Senator be permitted to go on for 15 minutes more.

The VICE PRESIDENT. Is there objection?

Mr. FLETCHER. Mr. President, I appreciate that suggestion.

Mr. TRAMMELL. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. TRAMMELL. Under the unanimous-consent agreement, has not the Senator a right to speak an hour on the bill if he wishes to?

The VICE PRESIDENT. He has; but the present occupant of the chair thinks that under the unanimous-consent agreement debate should be confined to the pending amendment. If there is no objection, the senior Senator from Florida may take an hour on the bill.

Mr. McKELLAR. Mr. President, I have no objection to the Senator from Florida doing that; I am delighted to not to interpose an objection, but I want to give notice that I do not think the unanimous-consent agreement ought to be interfered with any further.

The VICE PRESIDENT. Is there objection to the senior Senator from Florida having 15 minutes more?

Mr. VANDENBERG. Reserving the right to object, would not the Senator be willing to charge his additional time to his hour on discussion of the bill, so that we could maintain a consistent attitude?

Mr. FLETCHER. Yes; I am willing to do that, or I am willing to take my hour on the bill now and go on with the discussion.

Mr. LONG. Mr. President, I withdraw my former request for unanimous consent and ask unanimous consent that any Senator may take his hour on the bill at whatever stage of the proceedings he desires to take it.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the senior Senator from Florida is recognized for one hour more on the bill.

Mr. FLETCHER. Mr. President, I ask to have the letter to which I have referred, with the exhibit attached, inserted in the RECORD.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

ST. PETERSBURG, FLA., January 7, 1933.

HON. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

DEAR SIR: I note by the papers that Senator GLASS has a bill before the Senate to reform banking, but it does not contain the

Government insurance or guarantee of deposits. I am quite sure that if the lawmakers of our country knew just how the majority of its citizens feel about banks, they would pay more attention to their demands than to the few that are interested in the large financial companies.

There is no reason why the citizen in a small town should not be entitled to just as safe a place to put his money as the man living in New York, Boston, Chicago, or San Francisco, where they have these large financial institutions, which I understand are fighting the deposit insurance. It is my observation that a very large majority of the people have completely lost confidence in our banks and are hoarding their money in deposit boxes or hiding it. Just last week one of your lawmakers from Washington rented a cottage here in St. Petersburg for the winter for his family. He could not give a check, because he had no bank deposit, but had to return to Washington to get his money out of his deposit box and pay the rent.

I have a friend in Indiana that has a large factory and employs several hundred men, and he has several thousand dollars in his deposit box. If people of this type fear the banks, what can you expect of the average man or woman.

With a heavy percentage of our money hidden or in deposit boxes, and the balance put in banks that are striving to become 90 per cent liquid, because of their fear of runs, we have our funds tied up that should be available for general business. If deposits were insured, people would immediately regain their confidence, as they still have great faith in our Government, as indicated in the very large oversubscriptions of any securities offered, even at very low interest rates, and would again place their money in banks, who, in turn, would have large increase in deposits, with no further fear of runs, and could immediately commence making loans on good security and thereby start the wheels of industry and general business.

Practically everything of value, including our lives, is insurable, so why not our bank deposits?

It is the general opinion that until our banking situation is improved, we will see very little improvement in business conditions.

I am inclosing an editorial from one of our daily papers and the Independent, our other daily, had an article of similar nature a few days ago, and I believe I am safe in saying these editorials represent the opinion of 80 per cent adult population of our country. I have traveled over 15,000 miles in the last 12 months in my auto, calling on mills and merchants, and have been in 11 States, so I feel I have a fair idea of the general opinion on this subject. It has been a hobby of mine for the past six years, and as I have been in 12 bank failures, I feel I am justified in my attitude.

Hoping you may feel that bank-deposit insurance is practical and that you will use your influence and vote for this idea, which would mean so much to millions of our people, I remain,

Respectfully yours,

H. I. ISBELL.

[Inclosure]

[From the St. Petersburg Times, December 28, 1932]

BANK ASSETS

When the United States Treasury offered \$250,000,000 1-year certificates to the public a few days ago, with interest at the rate only three-fourths of 1 per cent a year, the issue was oversubscribed sixteen times. And yet not long ago some issues of Government bonds were selling to net over 4 per cent.

This desire for securities that will be absolutely safe, even if they pay so very little interest, is the result of the panicky feeling developed when the depositors of thousands of banks demanded their money right away quick. It led bankers everywhere to feel that they must have their assets in such shape that they could get a large part of their funds in cash at once, regardless, whether they get any considerable interest or not.

Here we can see a condition that is tying up business everywhere, and it must be cured before we can have good business. If bankers feel that they must have their money in such investments that they can produce a great mountain of cash all at once, naturally they are not going to lend it to finance factory operation, build houses, or to enable merchants to purchase goods.

The public has greatly accentuated this situation by runs on or, what is quite as fatal, quiet but steady withdrawals from many banks that were perfectly sound. The people of St. Petersburg paralyzed all business in their community by wrecking its banks in precisely that way. A bank may have a large part of its money in excellent assets, which are worth 100 cents on a dollar and much more than that; but if the bank had to sell those assets all at once, it might have to sustain a heavy loss if indeed it did not go under.

A new system of banking regulation that would require greater caution in managing financial institutions is a great need the filling of which would go far to restore people's confidence in the safety of their money in banks. But the public first would have to get into a calmer temper of mind, and quit forcing sound institutions into bankruptcy by unreasonable demands.

And going farther, this improved public temper, and a complete restoration of public confidence in banks, could be brought about almost instantaneously by a workable banking system that would guarantee to all depositors the safety of all bank deposits. That, of course, must come eventually, but doubtless not until we as a Nation shall have taken a lot more punishment.

Mr. FLETCHER. Mr. President, the pending amendment has to do with section 19. I am in favor of that section

just as it was reported. I do not think we ought to mutilate it or restrict it, practically destroy it, by providing that no branches can be established except where State laws permit State branch banking. I have no objection to the amendment of the Senator from Michigan. I think that would be covered, really, by the provision which leaves it to the Federal Reserve Board to decide whether a branch shall be established or not. I think they would be careful not to offend the idea and the view that is in the mind of the Senator from Michigan. I have no objection to putting it expressly in the law, however.

I think the instances the Senator has in mind would be protected by the bill itself, because the Federal Reserve Board would scarcely authorize branches where there are facilities already existing, and promote unreasonable competition among local banks in that way. But I have no objection to the amendment. I do object to the amendment to the amendment offered by the Senator from Louisiana, and I object to the amendment offered by the Senator from New Mexico. I think we ought to allow branch banking to a reasonable extent as provided in this section, whether the State laws permit branch banking or not.

The principle of branch banking is not new. Some suggestion has been made that this is a new attempt to increase the power of the banks, and give them a sort of concentrated control. The principle is not new at all. The Comptroller of the Currency under Mr. Cleveland, in his first administration, advocated it, and, so far as I know, that was the first step taken. Mr. Carlisle, the Secretary of the Treasury under Mr. Cleveland, advocated it. Mr. Cleveland advocated it as President. Woodrow Wilson advocated it. It was advocated and favored by the Federal Reserve Board up to the Harding administration. It has been practiced to a limited extent, and no fault has been found with it, so far as the principle is concerned.

In my judgment, the branch-banking feature will strengthen banking facilities for the communities wherever the branches are established, give additional protection to depositors, and afford accommodations where the local units can not afford them.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. KING. I ask the Senator a question for information. Have any of the eminent men to whom the Senator has referred, including the Presidents of the United States who have advocated branch banking, been in favor of branch banking when the States themselves did not permit it? Does the Senator believe, with his theory of Government, and with his concept of the fact that we have a dual form of government, that the Federal Government should, as against the positive prohibition of a State, compel branch banking within a State?

Mr. FLETCHER. I do not say that it should compel it, but I do say that, in spite of the legislation of the State with respect to State banks—and, of course, that is all the State laws can extend to—the Federal Government can authorize branch banking under the national banks. I think it ought to do it. I think it would induce some of the States which have a mistaken notion on that subject to change their laws, possibly.

If I may say so to the Senator, Florida, for instance, does not permit branch banking by State banks. So I approached this subject with a prejudice against branch banking. When the matter was under consideration and discussion and hearing, I was inclined to be against any provision for branch banking extending in any degree to what was provided for in the McFadden bill. But the more I investigated the situation and the conditions not only in my own State but elsewhere—and I speak of Florida simply because I have a better knowledge of the necessities there—I reached the conclusion that we had better have branch banking than what we now have.

In Florida national banks have gone out and established local banks in different parts of the State. Call them affiliates if you will; really it is a group-banking system, and under the present law they actually establish those branches wherever they see fit to establish them. They are not

branches, in effect, because they have not the responsibility of the parent bank behind them. They have not the lending power that a branch would have. They have not the liability a branch would have. They are affiliates, local institutions, chartered separately, but under the control of some national bank really.

That system is affording all the competition that could be afforded by branches. It is not giving the same amount of protection to the depositors or facilities for the communities that branches would. The local units have competition even to a greater extent than they would have if branch banking were allowed, and the communities themselves do not get the advantages they would have from branch banking. So that the local-unit bank, the small bank in the country and elsewhere, has to contend with a condition that is more onerous to it than a condition that would exist if branch banking were allowed.

Mr. President, I have no doubt that has taken place in other States—I am sure it has—and for that reason we are having group banking, which interferes just as much with the local-unit banks, as we call them, as would branch banking, and we are not having the benefit we would have from branches. So, instead of having these groups, these affiliates, I am in favor of having bona fide branches, with all the responsibility of the parent bank and all of the capital of the parent bank behind them.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. GLASS. The Senator from Florida might well add that group banking interferes with unit banking in a vastly greater measure than branch banking could, because under the existing national bank act no national bank may own stock in another bank, either national or State, whereas these groups buy up banks, both national and State, and control them.

Mr. FLETCHER. Precisely. I am glad the Senator mentioned that. I have a telegram here from a distinguished banker in our State, president of the First National Bank of Tampa, one of the largest banks and one of the most responsible institutions of the State, in which he says:

TAMPA, FLA., January 12, 1933.

Hon. D. U. FLETCHER,
United States Senate:

We congratulate you on your continued support of Glass bill, particularly section 19. In my opinion, if this provision had been in effect four years ago the closing of many banks in Florida would have been unnecessary. I therefore hope you will not submit to any compromise. The institution I represent does not expect to take advantage of the branch banking provision; therefore my views are personal, and expressed in the belief that the banking structure of Florida would be materially strengthened by passage of the bill.

R. J. BINNICKER.

I have letters from others of a similar character, and telegrams as well. I insert this particular one as an example of the expression of thoughtful and intelligent people in my State.

There were failures in Florida some years ago, but no branch has ever failed in Florida. Those failures took place in connection with unit banks, chain banks, group banks—things like that. No branch-bank failures have taken place in Florida.

Mr. President, of course, I could offer any number of letters and telegrams in support of that, but I will not take the time to do it. I could cite the views of strong, thoughtful people, economists and students. For instance, in the Proceedings of the Academy of Political Science of January, 1933, at page 151, appears an address by Mr. Pierre Jay, chairman of the board of the Fiduciary Trust Co. of New York, and former chairman of the board of the Federal Reserve Bank of New York, entitled "The Structure of the Banking System." He deals with the subject I have been discussing, and I will read just a few extracts from his address. He said:

More broadly, however, recent banking failures have emphasized two inherent weaknesses of the unit local bank. First, that it is too much affected by local prosperity or adversity, particularly in places where there is a single interest, agricultural or industrial. Adequate diversification of portfolio is lacking; there are too

many eggs in one basket. Second, that the smaller the place, the less bank officers are likely to apply the perspective of general credit conditions to their local credit problems or to realize the necessity of a substantial element of liquidity in the portfolios. That some city bank officers have also been equally shortsighted does not alter the case.

I read now a statement in his address as it appears on page 155:

Advantages of widespread branch banking: (1) It would offer to small communities, as well as large ones, the banking services of institutions sufficiently large to be able to hire competent and experienced management.

(2) The portfolios in which the deposits of small communities would be invested would be diversified instead of mainly local, and under any reasonably conservative management they should also have a substantial element of liquidity.

(3) In addition to present outside supervision, the branches would be subject to continuous internal supervision. This would be really authoritative supervision because it would have power instantly to change local management wherever it was proving unsatisfactory. Head-office control over the larger loans should tend to check overextensions of local credit, which have proved to be as ruinous for local borrowers as for local banks. And head-office purchase of securities should be more expert and conservative.

(4) Branches could be opened tentatively in small places and later withdrawn if they proved unprofitable. Under unit banking, such small local banks, once established, seldom withdraw except by failure.

He said further:

Like many other supporters of unit banking, I have been forced by recent events to change my views, and I now regard branch banking as the only fundamental remedy for the demonstrated weaknesses of unit banking, particularly in the smaller places. But to become an effective instrument of national policy branch banking should be permitted to develop under conditions most favorable to its success.

In other words, at one time he was strongly in favor of the unit-bank system, but he changed his mind about it and now holds that branch banking would be better.

In an address by Mr. Henry I. Harriman, president of the Chamber of Commerce of the United States, recently, at page 15, he had this to say on that subject, which I think is well worth considering:

Prosperity will not return to America until fear is replaced by confidence and credit is available both to the producer and the consumer. During the last 65 years there have been 26 bank failures in Canada, and not one during this period of depression. We, in turn, have had more than 5,000 bank failures in the last five years, and during that same period the funds of depositors tied up in failed banks have exceeded \$5,000,000,000. This has caused widespread alarm, the withdrawal of funds, and the hoarding of cash, and banks have been looked upon with fear rather than confidence. I do not favor the Canadian system for the United States, and I do not desire the abolition of State banking, as I believe it has its proper place in our economic scheme, but I am certain that national banks should be given the right to establish branches under equitable conditions, at least within the limits of the State in which they are located, and I further feel that it should be illegal to establish a national or State bank with a capital of less than \$50,000. Fifty-nine per cent of the suspended banks had a capital of less than \$25,000, and 90 per cent of them were located in cities and towns of less than 25,000 people.

That is a very clear statement and bears directly on the point, and it seems to me it is sound.

Mr. Edmund Platt, former Member of Congress from New York and formerly vice governor of the Federal Reserve Board, made a statement on the subject, which I ask to have inserted in the RECORD. He is in favor of branch banking.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection, it is so ordered.

The statement is as follows:

ARGUMENTS FOR AND AGAINST BRANCH BANKING, BRIEFLY STATED

Something must be done to prevent bank failures and to restore confidence in banks. Ten thousand banks have been closed in the past 10 years. Can anyone guarantee that another 5,000 will not be closed in the next five years, unless they are permitted to consolidate? More than five thousand have required aid from the Reconstruction Finance Corporation. Probably 1,000 are now operating under waivers by depositors, so-called chloroformed banks.

Many banks can be saved by permitting them to be taken over by stronger banks and operated as branches. That seems to be conceded by opponents of branch banking. Some of them, however, would let the small banks fail, contending that the banking structure is strengthened by their elimination and ignoring the distress and suffering caused by the failures. The president of the American Banking Association seems to be of this opinion.

Others contend that branch banking is wrong, because it means "concentration" of banking resources, ignoring the fact that the concentrated resources would be available at every branch, putting the small towns and the cities on an equality in that respect and also in safety for depositors.

Our present correspondent system of banking does vastly more to facilitate "concentration" than any system of branches confined to States or to "trade areas" or to Federal reserve districts could possibly do. There is a one-way pipe line from every little bank in the United States into the big city banks, and particularly into New York and Chicago banks. The little banks deposit in the big banks. Do the big banks return the compliment by depositing in the little banks when the latter need funds? They do not. The little banks then become just customers of the big banks and pay interest on what the big banks may be willing to loan them.

Branch banking permits a ready flow of funds both ways. In branch-banking countries or States branches frequently and sometimes continuously loan more than they receive in deposits. Funds naturally flow to points where they are most in demand for sound business.

Ten thousand banks have closed. The president of the American Banking Association seems to think they were uneconomic and unnecessary units. I disagree with him. Most of them were organized because there was need of banking accommodation at their location; and as the law prevented branches, the only way to afford banking accommodation was through small separately incorporated banks. We have never had as many banking offices per capita as most branch banking countries have. More than 10,000 banking offices could be opened and could be operated profitably if branch banking were permitted, thereby giving employment to forty or fifty thousand more of our people in banking activities.

There is quite a full discussion of the whole subject of branch banking in a publication which I have called "Fortune." I shall not read from it, but if anyone desires some good literature on the subject it can be obtained there. Among other things, the article says:

In the United States to-day we have one bank for every 6,000 or 6,500 people. It is possible that with branch banking not fewer but more communities could have banking offices. For in Canada, with its branch-banking system, there is a banking office for every 2,500 people. In short, branch banking offers a means of replacing small banks by large without forcing the public to do without banks in small towns where they now exist.

Yet the opposition to branch banking still stands firm. One of its leaders is Charles F. Zimmerman, president of the First National Bank of Huntingdon, Pa. (capital, \$150,000; surplus and undivided profits over \$500,000). In him you have typified the independent banker who wants to maintain his independence and (as the relatively huge surplus of his bank shows) has ably succeeded in independence over a period of years. He and others like him argue that for the Federal Government to establish branch banking in their States is a gross invasion of States' rights. The constitutional aspect of their argument can best be left to the courts (it hardly seems likely, however, that the courts would rule against the branch banking provision of the Glass bill). In any event, an appeal to States' rights will not settle the question of how we shall provide safe banks for all the people.

Behind the spirited independence of the local banker you have aligned most of the banking journals (which stand to lose advertising and subscriptions) and not a few State banking officials (who might lose their jobs if branch banking under Federal law became the order of the day). And besides you have the hot-tongued politician (his ardor still only partly cooled by 10,500 bank failures) baying against the centralization of banking power.

The best information I have on that subject is that they would not be inclined to establish branches because they can operate better and more successfully and with just as much, if not more, control through unit banks whom they designate as their correspondents.

Mr. BRATTON. Mr. President, I am desirous of reading the article to which the Senator referred. Will he tell me the issue of *Fortune* in which I may find it?

Mr. FLETCHER. It is a reprint from *Fortune* for December, 1932.

Mr. BRATTON. I thank the Senator.

Mr. FLETCHER. There was a very interesting article published and reprinted from the *Iron Age* Annual Review entitled "The Steel Industry's Stake in Better Banking," by Col. James L. Walsh, a very intelligent and strong article. I shall not burden the Senate with extensive quotations from it. He discusses our confused banking laws very forcefully. Among other things he said:

Development of our banking system has proceeded substantially along the haphazard lines of our governmental structure—under 50 different sets of banking laws, one for national banks, one for each of the 48 States, and one for the District of Columbia. These 50 separate and distinct banking codes differ from each other in such important particulars as minimum amount of capital re-

quired, maximum amount of loan to any single borrower permitted, strictness of examination prescribed, variety and breadth of powers authorized, and standards of character and ability of managing personnel maintained. In general the requirements of the national system are stricter and more conservative than the 48 different State banking systems. But the national system is under fire from 48 different quarters, as individual States allow broader and broader powers to banks as an inducement to take out State charters on organization or by switching from the national system. All in all, a considerable "competition in laxity" has existed during recent years with the following inevitable tragic results:

Bank suspensions in the United States

	Total	Non-member of Federal reserve	Per cent of non-members to total failures
First period, Jan. 1, 1921, to Dec. 31, 1929 (9 years).....	5,642	4,648	82
Second period, Jan. 1, 1930, to Sept. 30, 1932 (2½ years).....	4,742	3,776	79.6
Total (11½ years).....	10,384	8,424	81.1

Our banking structure showed undeniable signs of fundamental weakness long before the present depression was ever dreamed of. During the first period, business conditions varied from unprecedented prosperity to perceptible, but not abnormal, recession. Certainly the test was not unusually severe—yet no less than 5,642 banks suspended operation. Eighty-two per cent of these closed banks were not members of the Federal reserve system, and 92 per cent were in towns of less than 10,000 in population. Lacking the ability to stand up in fair weather, it was only to be expected that the effect of unusually adverse economic conditions would be little short of catastrophic. No less than 4,742 banks failed in the 2 years and 10 months ended September 30, 1932, 79.6 per cent being nonmembers of the Federal reserve system and approximately 87 per cent being located in towns of less than 10,000 in population.

The result of all this is a laxity and looseness and risk. I am convinced that small-unit banking is not such as would commend the operation of that system without further strengthening the facilities for the benefit of the people. I am concerned particularly with the taxpayers, with the people who need banks and who want to use banks. It is getting so that people will not use them. Down in Georgia, according to the newspapers, the other day a farmer—he must be an extraordinary man, by the way, and there are probably not many like him—had accumulated some \$13,000. He had it at home in a trunk. He was not willing to trust the banks with it. Three men came along pretending to want to buy cattle. They had heard of the old gentleman having this cash. Pretty soon they had him and his son tied up and they got into the trunk and took away the money. This man was not willing to trust the banks. He would have been better off if he had put his money in the bank even if the bank had failed, because then he would have gotten part of it back.

A similar feeling exists all over the country. The people are hoarding their money and not putting it in the banks. I do not see much chance for the small unit bank unless we can restore confidence and increase business and give them an opportunity to get credit.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Louisiana?

Mr. FLETCHER. I yield.

Mr. LONG. Despite all that has been said, the banks have not failed as much as other institutions. Agriculture has failed worse than banks. Merchants have failed worse than banks. The banking institutions are the strongest things we have left to-day. Is not that true, if we compare them with other businesses and how they have failed?

Mr. FLETCHER. There is possibly something in that. At the same time the Senator will recall that the President in his message recited that failures in industry had been something like 1½ or 2 per cent, whereas the bank failures had been something like 10 per cent. The Senator will admit, of course, that there has been a tremendous decrease in loans, a decrease in deposits, and a tremendous amount

of withdrawals from the banks, and this would seem to evidence a feeling of fear and lack of confidence which pervades the whole country. That is about the situation.

Mr. LONG. When the country fails, naturally all institutions will fail. We would naturally expect that. When industry and agriculture and shipping and other businesses begin to fail, we can not expect anything to hold up to par under those circumstances. The banks have held up better, I think, than any other institution we have.

Banks are paying off their deposits at the rate of \$1.50 on the dollar—and by that I mean paying with an appreciated currency. For instance, I went to a bank four years ago and borrowed a hundred dollars. I borrowed one bale of cotton. To-day I go back to repay the \$100 and it takes four bales of cotton. Money is only a medium of exchange. Does the Senator think it is possible, unless we restore commodity prices, ever to make the banks solvent in this country? I do not care who handles the banking system. With the whole country failing, of course, the banks are affected. We have to pay back \$2 to-day for the \$1 we borrowed 10 years ago, and yet deposits are falling off, as the Senator has indicated. Does the Senator think it is possible, until we bring up the commodity values, ever to have anything like a safe banking situation?

Mr. FLETCHER. I have no quarrel with the Senator at all on that subject. I am for anything that will help the situation of agriculture to which he alludes. Of course, that is a different matter and we will have to deal with it in different laws. I think the bill now before us would help conditions generally and facilitate the transaction of business. In a way it would be helpful both to agriculture and to industry. I am with the Senator so far as concerns his desire to enact any legislation to help commodity prices or render any help to agriculture. That is the great fundamental industry of the country, of course.

Mr. LONG. Would the Senator favor remonetizing silver or expanding currency?

Mr. FLETCHER. I would not be alarmed at all at inflation or reflation. I think perhaps we may have to come to that.

Mr. LONG. Would the Senator be afraid to go back to where we were in 1873? A billion people in the world to-day are on a silver basis absolutely, and we are about the only country, except France, that is on a straight-out gold basis.

Mr. FLETCHER. I think we have got to increase the use of silver as money.

Mr. LONG. I am for both of them.

Mr. FLETCHER. That is my opinion about that. The details of how we can work that out can be dealt with when we get to it.

Money is a queer thing. I saw in some publication the other day a story about a guest of a hotel who said, "I do not like to go around the streets with a lot of money in my pockets. Here is a hundred-dollar bill; I wish you would put it in your safe and keep it." The hotel proprietor accepted it. In a little while came the butcher with a bill against the hotel, and the hotel paid the butcher with the hundred-dollar bill. The butcher owed his landlord, and he paid his landlord with the same hundred-dollar bill. The landlord owed his doctor a hundred dollars and he paid his doctor with the same hundred-dollar bill. The doctor owed the hotel and went to the hotel and in payment of his bill turned in the same hundred-dollar bill. So the hotel got back the original bill which the guest, who was a drummer, had left with it. Then a little later the drummer came into the hotel and the clerk took out the hundred-dollar bill and handed it to him. The drummer lit a match, used that hundred-dollar bill to light his cigarette, and said, "This is a phony bill and never had any value at all." [Laughter.] Yet it had paid all these obligations and served a purpose in doing so. So, Mr. President, I repeat, money is a queer thing when you come to consider it in its various aspects.

However, what I am talking about now is the branch banking feature of the pending bill, and my appeal is to stand by the bill as it has been written. Of course, I realize the strong sentiment here in favor of modifying section 19, and I would not oppose the entire bill if section 19 were

entirely eliminated; but the bill will not accomplish the purpose intended; it will not accomplish what is desired, in my judgment, if we should strike out that section and disallow branch banking. I think we ought to have branch banking. These amendments will practically destroy all branch banking and absolutely destroy it in States where branch banking is not permitted to State banks. While, so far as Florida is concerned, we would get no benefit whatever under that provision, I do not want to base any stand I take here solely on the interest of my own State. I am merely mentioning that as a fact which may apply to numerous other States. I think it does; I think there are a good many States under whose laws there is no provision enabling State banks to have branches, and in that case there would be no national-bank branches established.

Mr. President, I should like, if I may, to reserve the remainder of my time for further discussion of the bill.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. The Senator from New York.

Mr. COPELAND. Mr. President, I should like to make an inquiry of the Senator from Virginia. On page 36 of the official print of the bill, in line 6, I find a reference to "general obligations of any State." The bill provides that a national bank shall not deal in investment securities, but states, in line 4:

The limitations herein contained as to investment securities shall not apply to obligations of the United States, or general obligations of any State or of any political subdivision thereof, or obligations issued under authority of the Federal farm loan act, as amended.

May I ask the Senator why, in line 6, we find the adjective "general"?

Mr. GLASS. Mr. President, the "general obligations" of a State are bonds issued for which the State itself is responsible. If the Senator will continue his reading of the bill, he will find that the obligations of subdivisions of States are also exempted. Any bond issued by a State for which the State is responsible is a general obligation of the State. That question was asked yesterday, and I thought completely answered by the Senator from Montana [Mr. WALSH].

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. COPELAND. If the Senator will pardon me for a moment—

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. COPELAND. I am at a disadvantage in that I did not hear the answer yesterday, but I assume the language to mean exactly as the Senator has indicated, that the phrase "general obligations of any State" means any bond issue which the State may put out for its own purposes in contradistinction to the securities issued by any political subdivision of the State, as, for instance, a city.

Mr. GLASS. The securities issued by a subdivision of a State are exempted.

Mr. COPELAND. Exactly. I thought I was clear about it, but I wanted to be assured by the eminent Senator from Virginia.

Mr. LONG. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. LONG. In the discussion yesterday, while I was questioning the Senator from Virginia, the Senator from Montana [Mr. WALSH] expressed himself as being of the same opinion as the Senator from Virginia, but upon looking up the law he informed me to-day that he would move—I thought he had probably told the Senator from Virginia—to strike out the word "general." That being the case, I think that will fit the situation, because all obligations are not general obligations.

Mr. COUZENS. Mr. President, will the Senator from New York yield to me?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. COUZENS. I was going to say that I think the language of the bill is correct in creating a distinction between what are generally known as special-assessment bonds and general obligations of a political subdivision of a State. For instance, if bonds were issued to open a street and were limited to taxation on the property owners upon that street, they would not be a general obligation.

Mr. LONG. That is correct.

Mr. COUZENS. And therefore they would not come under the provisions of the bill, but with the word "general" in the measure it means, of course, that the community, as a whole, guarantees the bonds rather than a special assessment district doing so.

Mr. LONG. Mr. President, if the Senator from New York will yield further, that is just where we would have to join issue. As I understood, the Senator from Virginia, and I know the Senator from Montana [Mr. WALSH], did not want to join issue, but wanted the banks to be able to handle any kind of securities; otherwise a large portion of municipal securities—and there are many obligations within the category that the Senator from Michigan notes—would have as their sole outlet private investment houses, and there could not be any recourse whatever for municipal or State financing to the Federal reserve banks of the United States, which they will all eventually be if this bill shall pass. We would have nothing but private financing, and they would be at the mercy of private investment houses.

Mr. COPELAND. Mr. President, what the Senator from Michigan has said raises another question in my mind. Does the Senator from Michigan mean that bonds issued by a city for a specific purpose—we will say the purpose of wiping out slums or the building of a subway—would not be usable in a national bank?

Mr. COUZENS. They would not be unless the city guaranteed the bonds of the particular district. I can perhaps better illustrate it by giving an example. For instance, the street railways of Detroit had two options as to how to finance themselves. One was by issuing bonds secured by the property itself without the obligation of the taxpayers of the city of Detroit behind them; or they had the opportunity of issuing securities backed by the guaranty of the city. Under the reading of the bill, the street-railway bonds themselves would not be eligible unless the city guaranteed them. To put it in another way, using the illustration to which I referred a moment ago, the securities of any special assessment district which was solely responsible for the issue of bonds would not be general obligations under the interpretation of the bill as the Senator has just read it.

Mr. COPELAND. Perhaps the Chicago drainage area would be an example.

Mr. COUZENS. It would be an example, unless its bonds were guaranteed by all the taxpayers. In other words, a district could be created, for instance, such as the Port Authority of New York, which for its securities pledges all the property within the district or has its obligations guaranteed by the State. They would be a general obligation under the interpretation of the bill.

Mr. COPELAND. Would there be any doubt in the mind of the Senator about the securities of the Port Authority of New York, which is an interstate organization, in which both the States of New Jersey and New York are interested, being usable in the banks?

Mr. COUZENS. It would depend entirely upon the terms. If the State of New York and the State of New Jersey combined to guarantee the securities issued, they would be general obligations under the terms of the bill.

Mr. COPELAND. I think, Mr. President, I am satisfied with the answers I have received. Of course, from my standpoint, it would be a very great disadvantage if it were possible for a city or a county or any political subdivision of a State to have any question raised as to the usability of its securities with the national banks; but I have every right to believe, from the answers I have received from the distinguished Senator from Virginia and the Senator from Michigan, that there are no two thoughts regarding the meaning of the language to which I have referred.

Mr. GLASS. I think the Senator from New York is correct as to that. I may elaborate by saying that in no event will there be any difficulty in the flotation of State, city, and community securities in this country so long as it is profitable to engage in such flotation. The trouble with this country to-day is that it has been entirely too easy to float anything that comes along. Not only State and city securities and those of political subdivisions but worthless securities have been floated by the billions by high-powered salesmanship.

Mr. COPELAND. I should like to add to what the Senator has said that, in my opinion, it has been too easy to float worthless securities and too hard to float those which are gilt-edged, such as are referred to in the language to which I have referred here.

Mr. GLASS. It has been too hard to float legitimate securities because such an enormous amount of worthless securities have crowded the bank portfolios of this country.

Mr. COPELAND. I agree with the Senator fully.

Mr. LONG. Mr. President, will the Senator yield to me? Did I understand the Senator from Virginia to say that he would have no objection to the word "general" coming out? In the absence of the Senator from Montana [Mr. WALSH] I had quoted a conversation at the lunch table to the effect that he had intended to offer an amendment to strike out the word "general."

Mr. WALSH of Montana. I offered the amendment this morning. It is now on the table.

Mr. LONG. That being the case, as I understand, there would then be nothing in the bill to prevent a bank from buying municipal bonds, State or Government bonds, and selling them. If that is done, that cures a very important part of the bill, to my way of thinking.

Mr. COPELAND. Mr. President, my judgment is, in view of what the Senator from Virginia has said, that there is no difference of opinion between him and the Senator from Louisiana, I should myself feel better if the word "general" were out of the bill; and yet, with the answer and the construction placed upon the language by the Senator from Virginia, I have no doubt that these States, cities, and other political subdivisions are taken care of in the proper way.

Mr. WALSH of Montana. Mr. President, now that this matter has become the subject of discussion, I should like to say a word with respect to it.

Mr. COPELAND. I yield to the Senator.

Mr. WALSH of Montana. I have been endeavoring to satisfy myself as to the purpose to be subserved by the use of the word "general" qualifying "obligations of States and political subdivisions thereof." I have not been able to surmise any good reason why it should be there, and I can appreciate how embarrassing at times it might become.

Let me illustrate, by a situation in our State, the difficulty that might arise, and an indication of how needless and useless it is here.

A general obligation, as I understand the matter, as distinguished from a special obligation—and I presume that it is used here as an antonym of "special"—is one that is payable out of the general assets of the political subdivision, and not out of some special fund. In other words, it is a general obligation as distinguished from a special obligation. Now, as a rule these special obligations are really sounder securities, their payment is more safely taken care of than the general obligations.

By way of illustration, the State of Montana, along with many other Western States, got a grant of lands of the State to be devoted to the construction of a capitol building; and upon the strength of the grant bonds were issued, it being expressly provided that they should be no charge at all upon the State, but simply a charge upon the fund derived from the sale of the lands granted in aid of the capitol.

It was in no sense a general obligation of the State. It was a special obligation. The lands in time were sold, and the proceeds put into the fund, and the fund was invested. In time the interest from the fund took care of the interest upon the capitol bonds, and eventually the fund accumu-

lated to such an extent that the bonds have long since all been retired.

Our State to-day, so far as its general obligations are concerned, is very decidedly "in the red"; but the special obligations of the State no longer exist. They have actually been retired by the income from this fund. From the very time those bonds were issued they were regarded as excellent securities and sold at a very nice figure. In other words, they were regarded in the bond market as a better and safer investment than the general obligations of the State.

Why should not a bank be empowered to purchase securities of that character, relying upon the judgment and discretion of the officers of the bank as to whether the fund provided for the satisfaction of these obligations is adequate or not?

Mr. COUZENS. Mr. President, will the Senator from New York yield to enable me to ask a question?

Mr. COPELAND. I yield.

Mr. COUZENS. As I understand the Senator's description, this was not an obligation of the State or a political subdivision of the State.

Mr. WALSH of Montana. Yes; Mr. President.

Mr. COUZENS. What political subdivision was it?

Mr. WALSH of Montana. It was an obligation of the State, but it was a special obligation of the State, payable only out of this fund.

Mr. COUZENS. Let me give the Senator an illustration which probably will show that these special bonds are not always, perhaps, as secure as the Senator's illustration indicates the particular bonds were.

Assume, for instance, that the citizens petition for the opening of a street and the paving of a street, and they say, "We will pay for paving and opening the street." The city says, "All right; go ahead, but we will not obligate ourselves to pay for it. We will assign a certain district that will be assessed for paying for that particular improvement." That is a special-assessment bond but not an obligation of a political subdivision. Does the Senator mean to say that such bonds should be included within the provisions of this act?

Mr. WALSH of Montana. I can see no reason why they should not be. Those securities, as a rule, are of a very high character. I realize that additions to cities are sometimes platted and streets extended into localities where it is unjustifiable, and that kind of thing, and these bonds are issued, and they are found to be undesirable, and are sometimes repudiated; but I should say that the great bulk of them are of the very highest class.

I desire to say in that connection, if I may, that the question came under consideration by the Supreme Court of Oregon in just such a case. It was the case of bonds issued by an improvement district. The court held, however, that they were the general bonds of a political subdivision. We do not avoid exactly the character of security to which the Senator refers by the use of the word "general" here. Suppose we create an improvement district. That improvement district is a political subdivision of the State. We would exclude the special obligations of that district, but we would not exclude the general obligations. In the case to which I advert the court held that it was a general obligation of the district, because after the special fund set apart for the payment of the bonds was exhausted the district itself would be liable, and the entire district would be subject to taxation; and they held, for that reason, that it was a general obligation of the district.

Mr. COUZENS. Yes; but there is a difference between a district and a political subdivision.

Mr. WALSH of Montana. Oh, not at all.

Mr. COUZENS. Oh, yes; because the district does not vote separately, as is the case with an incorporated political subdivision.

Mr. WALSH of Montana. But, if the Senator will pardon me, improvement districts, irrigation districts, drainage districts are all political subdivisions of the State. Only those

securities would be excluded that are taken care of by a special fund, in that no recourse can be had to the general fund of that particular district.

Mr. COPELAND. Mr. President, I should like to say that I think it would be very unfortunate if a bank were prohibited from dealing in the bonds of a sewage district or a paving district. Needless to say, we have to trust the banks to some degree; and I am quite confident that no bank would take on those securities unless it had scanned the values very carefully.

To me, however, it seems a strange limitation. I do not see why we did not put the word "general" before "obligations," in the fifth line, so as to read, "the general obligations of the United States." There would be exactly the same reason for placing it there as here. I wish for myself that that word might be omitted, because I feel confident that it is going to lead to trouble.

Mr. GLASS. I will say to the Senator that we did not do that because all obligations of the United States are general obligations.

Mr. WALSH of Montana. Let me inquire of the Senator whether the securities issued to take care of the Boulder Dam expenses are general obligations?

Mr. GLASS. If the Government of the United States has made itself responsible for them, they are general obligations in the sense that the money of all the taxpayers will be devoted to their liquidation.

Mr. President, if the Senator will permit me—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Virginia?

Mr. COPELAND. I yield.

Mr. GLASS. I am not, of course, competent to discuss with the Senator from Montana legal definitions or legal considerations that may be applied. What the committee had in mind was to guard against unsound banking. What the committee had foremost in its thought was to exclude from commercial banking all investment securities except those of an undoubted character that would be surely liquidated; and for that reason we made an exception of United States securities and of the general liabilities of States and subdivisions of States.

For example, I recall right now, in my own State, a little town not far from my own home town which had a vote of the people and decided upon a bond issue for waterworks purposes. It applied to investment houses in various money centers to take these 6 per cent bonds. None of these investment houses would take them. The town applied to the Reconstruction Finance Corporation to take the bonds for this self-liquidating enterprise, and the Reconstruction Finance Corporation would not take them. We did not think securities of that nature, for special purposes, ought to crowd the portfolios of commercial banks; so that our whole purpose was to guard against investment securities in national banks, which are supposed to be strictly commercial banks, responsive to the immediate requirements of that community. I may add that the technician of the committee very strongly advised us to use that term.

Mr. COPELAND. Mr. President, I now yield the floor.

Mr. LONG. Mr. President, I hope I am not disturbing the Senator—

The VICE PRESIDENT. Does the Senator from New York yield the floor?

Mr. COPELAND. I yield the floor.

The VICE PRESIDENT. Does the Senator from Louisiana desire to ask a question?

Mr. LONG. I wanted to ask a question in connection with what the Senator from New York was discussing. I do not understand, do I, that the Senator from New York or the Senator from Virginia is going to have any objection to the amendment offered by the Senator from Montana, to strike out the word "general"? I was busy discussing something else at the time. What was the final outcome of that matter?

Mr. COPELAND. Mr. President, in answer to what the Senator has said, I would be inclined to vote for the amend-

ment which I presume the Senator from Montana is going to offer.

Mr. LONG. He has already offered it.

Mr. COPELAND. I was almost satisfied with what the Senator from Virginia said, but I do not like to have any doubt as regards the power of the bank in these particular matters.

Mr. GLASS. Mr. President, I would like to suggest to the Senator from New York that this matter will probably come up later.

Mr. COPELAND. I assumed that.

Mr. GLASS. It has no relation to the pending amendment.

The VICE PRESIDENT. The pending amendment is the amendment of the Senator from Louisiana [Mr. LONG].

Mr. LONG. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	King	Shipstead
Austin	Davis	La Follette	Shortridge
Bailey	Dickinson	Logan	Smith
Bankhead	Fess	Long	Smoot
Barkour	Fletcher	McGill	Steiger
Bingham	Frazier	McKellar	Stephens
Black	George	Metcalf	Swanson
Blaine	Glass	Moses	Thomas, Idaho
Borah	Glenn	Neely	Thomas, Okla.
Bratton	Goldsborough	Norbeck	Townsend
Brookhart	Gore	Norris	Trammell
Broussard	Grammer	Nye	Tydings
Bulkeley	Harrison	Oddie	Vandenberg
Bulow	Hastings	Patterson	Wagner
Byrnes	Hatfield	Pittman	Walcott
Capper	Hawes	Reed	Walsh, Mass.
Caraway	Hayden	Reynolds	Walsh, Mont.
Connally	Howell	Robinson, Ark.	Watson
Coolidge	Hull	Robinson, Ind.	Wheeler
Copeland	Johnson	Russell	White
Costigan	Kean	Schall	
Couzens	Kendrick	Schuyler	
Cutting	Keyes	Sheppard	

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, there is a quorum present.

Mr. ROBINSON of Indiana. Mr. President, I have just received a telegram from W. A. Collings, president of the Indiana Bankers' Association, as follows:

INDIANAPOLIS, IND., January 19, 1933.

Senator ARTHUR ROBINSON,
United States Senate:

At midwinter meeting of our association in Indianapolis yesterday following resolution was unanimously adopted: "Resolved, That the Indiana Bankers' Association record its disapproval of any act of Congress which in effect would violate State autonomy in branch banking and permit further concentration of money and credit."

W. A. COLLINGS,
President Indiana Bankers' Association.

Mr. WHEELER. Mr. President, so many claims and counterclaims have been made with reference to the pending legislation that I desire to speak for a comparatively short time and to attempt to clear up at least some of the misstatements of fact.

First of all, the Senator from Virginia has placed in the RECORD a large number of telegrams, and has had some of them read, for the purpose of convincing the Senate as to how the people of the various States stand with relation to the pending bill. I myself in the last few days have received a large number of telegrams from business men and bankers in the city of Helena and other places throughout the State of Montana, which read about like the following telegram:

HELENA, MONT.
We urge you to muster all possible support to obtain passage of Glass bill with provisions for state-wide branch banking. We want to register vigorous protest against Long's filibuster, which not only is delaying action upon this vital measure but is preventing passage of other constructive legislation which is needed to bring relief to this territory.

MONTANA LIFE INSURANCE CO.,
H. R. CUNNINGHAM, President.

I also received an identical telegram from the Beartooth Stock Co., signed by John Dryberg, as president.

I received such a telegram from the Montana Livestock Marketing Association, an identical one from the Montana

Wool Cooperative Marketing Association, one from the Eddy Bakeries Co., and one from the Sieben Livestock Co.

I now want to call the Senate's attention to exactly why these telegrams were sent. I hold in my hand a letter, which I understand has been placed in the RECORD, from the Northwest Bancorporation, an affiliated group of leading banks and trust companies, dated at Minneapolis, January 16, reading as follows:

To Officers and Directors of Northwest Bancorporation and Affiliated Banks:

We are making a nation-wide effort to have telegrams sent to each United States Senator from your State and to Senator GLASS pointing out importance of obtaining passage of the Glass bill.

Mr. J. C. Thomson, vice president and general manager, telephoned from Washington yesterday asking that telegrams be sent by business interests of this territory over each company's name and signed by the president or managing officer as such. Apparently, Senator HUEY LONG, of Louisiana, is prepared to carry on the present filibuster for some time, but efforts will be made this week by Senator GLASS to break this filibuster and to put into effect a cloture rule in order to obtain a vote on the bill.

There has been considerable opposition by Northwest Senators, and we believe that some of these are lined up with Senator LONG in an effort to block passage of the bill. The morning paper indicates that the bill will be laid over for Monday and Tuesday in order to make way for certain appropriation measures, but it will come up on Wednesday morning.

We should like to have as many telegrams as possible go into Washington by that time and shall appreciate it very much if you will send such telegrams and get as many of your associates as possible to do likewise. We have been asked by some of our directors to give several suggestions as to what types of telegrams might be desirable and, in response, offer the following suggestions:

1. "We urge you to muster all support possible to obtain passage of Glass bill with provisions for state-wide branch banking. Would like to register vigorous protest against Long's filibuster, which not only is delaying action upon this measure but preventing passage of other constructive legislation which is needed to bring relief to this territory."

I want to call attention, Mr. President, to the fact that the telegrams which have been coming are almost identical, word for word, with the first suggestion of the Northwest Bancorporation, which is at the head of the branch banking group throughout the Northwest. The second suggestion is:

2. "It is my opinion that the majority of the people in this territory are in favor of passage of a branch banking bill that will enable national banks in all States to establish branches and thus provide service to communities now without banks. The obstructive tactics such as are being used by LONG and his supporters are wholly unjustified, in view of important legislation of all kinds now pending in Congress, much of which is needed to bring relief to the country at large."

The third suggestion which they offer is:

3. "Business interests here seriously disturbed by situation in Senate and the delayed action on pending legislation. We urge your support for any move that will break this filibuster in order that legislation of an emergency nature, such as the Glass bill, may come up for action. We believe majority of people in this territory favor passage of Glass bill providing for state-wide branch banking. We vigorously protest against the actions of Senator LONG and his associates in obstructing this and other important legislation sorely needed to restore confidence and stabilize business conditions."

We should like very much to have copies of telegrams sent to use in connection with support which we are trying to obtain for the bill. We shall appreciate your cooperation at this time.

Very truly yours,

W. B. BROCKMAN, Assistant Secretary.

When Senators receive telegrams from various sections of the country in line with these they will know immediately that they are the result of inspired propaganda by the Northwest Bancorporation, which owns and controls a lot of chain banks throughout the Northwest. It might be called to the attention of the Senate that this corporation, as a matter of fact, was nothing more nor less than a promotion scheme by a few men in the Northwest who went out and took a lot of sound, safe banks in the Northwest and poured into their corporation a tremendous lot of watered stock and unloaded it upon the directors, stockholders, and other citizens of the Northwest.

The reason why some of those banking institutions are not in the shape that they should be to-day is not because they have not been part of a branch banking system but because of poor management and because they are loaded up with stocks and bonds which have little or no value to-day,

if ever. The idea of saying that branch banking is a panacea for the banking condition in the Northwest is, to my way of thinking, entirely asinine, to say the least.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. WHEELER. I yield.

Mr. LONG. Did the Senator hear the telegrams from all over the country read by the Senator from Virginia yesterday?

Mr. WHEELER. I heard some of them. Many of them were almost identical, word for word, with the telegrams I have read.

Mr. LONG. It seems very likely that they came out of the same place.

Mr. WHEELER. Yes. In answer to this telegram I sent a letter. I want to read the letter which I wrote to this Mr. Cunningham and the other men who sent the telegram to me.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Virginia?

Mr. WHEELER. I yield.

Mr. GLASS. Right at that point I want to call the attention of the Senate to the fact that the telegrams sent to the desk by me were from nearly every State in the Union, and I think two or three times more from towns in New York State than from all of the Northwest put together.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. WHEELER. Certainly.

Mr. LONG. Does not the Senator understand the Bank of the United States had 59 branch banks out there that might have had similar interests with the speculators in the Northwest?

Mr. WHEELER. I am not familiar with that situation.

I want to read the letter which I sent in answer to these telegrams:

WASHINGTON, D. C., January 16, 1933.

Mr. H. R. CUNNINGHAM,
President Montana Life Insurance Co.,
Helena, Mont.

MY DEAR HARRY: I am in receipt of your telegram of January 15, and regret that I can not comply with your request.

While I am willing to admit the possibility of the branch bank system adding elements of strength to the particular parent bank, I feel that the price which the community must pay for this efficiency is too great. I am, therefore, opposed to it on the ground of public policy. The inevitable tendency is toward a monopolistic control over the financial resources of the State.

Let me call to the attention of Senators on this side of the Chamber that when they are trying to stop debate upon this matter, and seek thereby to force branch banking upon their States against the will of the people of their States, they are doing a great injury to their people which will be resented. The people of the various States are against giving to a little handful of men a monopolistic control of the credit resources of their various States.

I continue reading from the letter:

A striking illustration of the impossibility of the unit system of banking existing side by side with branch banking is shown in the British Isles. During the past few decades the number of independent unit banks has gradually decreased while the branches have increased until to-day there are left only about 40 banks with over 10,000 branches. A system of branch banking, therefore, as a natural consequence of its logical development ultimately puts into the hands of a small group of powerful bankers the entire credit facilities of a State, or a nation. This is socially unsound, detrimental to the free development of business enterprise, and dangerous to the public welfare.

These few bankers being in the banking business primarily for personal profit would have it within their power to control the development of the industries of the entire population and could be restrictive here and liberal there, not as the general welfare might require but to suit their private policies. Human nature being what it is no other point of view can be expected.

Mr. President, give me control of the financial credits of a State and I can say what industries in that particular State can live and I can say what particular industries shall go out of business. Give me control of the financial credits of a State and I can say what policies shall be adopted by that State in a financial way. Give me control of the financial

credits of a State and I can suck the lifeblood out of the people of that State and say to them who shall be permitted to exist and what shall not exist. I can in effect say whether or not they are going to have free government in that State. Then tell me that anyone wants such a system foisted upon the people of his State! Wherever the people have had an opportunity to vote upon the question they have voted against it. Talk about the unit bank wanting a tariff wall around its community. Talk about the little independent bank having a selfish interest and wanting to monopolize the credits of its particular community. Oh, no. What it is wanting to do, and only that, when its officers protest against this bill, is to prevent the monopoly from controlling the banking system of that State.

I repeat what I said when a banking bill was here on another occasion containing a provision to permit branch banking in cities and counties, that that was the first step and that its backers would be back here in a short time wanting state-wide branch banking. I said in addition to that that it would only be a short time until they would be here asking for nation-wide branch banking. The second step is now being taken.

I continue reading my letter to Mr. Cunningham:

This development toward centralized control is out of harmony with the traditional American principle of local autonomy under which our vast national resources have been developed. It has been the small unit bank in the wake of the pioneer frontiersmen which has furnished the financial service so essential to the spread of our civilization westward to the Pacific coast. They became objects of community pride; they were controlled by a local board of directors; and they had an intimate personal knowledge of the character, ability, and resources of their customers. The one is a local institution and the other is what has been called "absentee banking."

Talk about the selfishness of the little unit banker in the community, call him a pawnbroker if you want to, say that his little bank is a pawnshop; but he made it possible to develop Montana, to develop South Dakota, to develop Ohio, and every other State as the march of population was westward in this great Nation of ours. I can take anyone across the border to-day into Canada and show him the same identical climatic conditions that exist in the Northwest, where they have a system of branch banking. I will show him how development has been retarded as compared with development in the Northwestern American States.

Senators are pleading in the name of the depositors for branch banking. Who is it that is pleading for this bill? It is the Northwest Bancorporation, composed of a group of promoters who went out and paid for the stock in those banks, in some instances two or three times the book value. No, they did not pay for it, they gave stock in a holding company in exchange for bank stock of sound institutions. They did it as a pure promotion scheme. Now, when they find the economic conditions which exist to-day they want to go in and set up branch banks. I know what their scheme is. It is to take over the banking of the entire State that they control in Montana, every bank that they control in Minnesota, every bank they control in North Dakota, South Dakota, and Idaho. They intend to set up one unit, one bank, and make all the rest of them branch banks. Then they will take the capital stock of all the other banks and put it into one bank. If there ever was an unsound and unsafe banking plan that was proposed to be put upon the American people in the Northwest, this is it.

I read further from the Cunningham letter:

The branch is managed by an agent or employee of the parent bank. He takes instructions from his employers, who reside elsewhere. In most cases he has no discretion to act, but must follow rigid formulas imposed upon him by his absent superiors. His branch is not a part of the locality in which he operates. As a natural consequence he can not make a loan the security of which is primarily the character of the borrower. This, it seems to me, is one of the fundamental weaknesses of the branch system. It is a restriction of credit which is detrimental to the development of a new country, because it eliminates the moral credit risk involved in a man's native ability and character—often the only security a young man has to offer.

Absentee banking as represented by the local branch of a distant city bank puts the future economic life of a community in

the hands of a nonresident board of directors, who may develop or retard its resources as their interests may demand.

Not only that, Mr. President, but when this group get these organized branch banks they intend to turn them over to one of the big banks in the State of New York, which would control the banks of Montana, the banks of South Dakota, Minnesota, Idaho, Washington, and Wyoming, and that control will be centered exclusively in one of the large banks in the State of Minnesota. The promoters will have made their profit, but the people will be economic slaves to this monopoly. They are very foolish if they think the people of America will stand for it.

I am not blaming the men who sent the telegrams. Many of them are men of the highest character, but I happen to know the reason why they are sending them. It is because of the fact that those who favor the branch banking system went out and asked them to send them. No farmer is sending telegrams to me. No professional man is sending me any telegrams unless he is in some way under obligation to a bank. I am receiving no telegrams from farmers or professional men asking that the Glass bill be passed and made a part of the law of the land.

Not only that, but when the people of the great State of Illinois had an opportunity to vote upon the question in an election they voted against it by an overwhelming majority of something like 2 to 1. I submit that those back of the bill would not dare go before the people of any State in the Union upon the initiative and referendum and submit the question to a vote of the people. Seven different States which had a branch banking law repealed it after it had been made a part of the law of those States. But what are we seeking to do? We are seeking, by a law of the United States, to force a banking system upon the free people of the various States.

Talk about State rights! Let me ask the Democrats on this side, who stand here and plead for State rights, is there anything in State rights when we propose to enact a law to provide for branch banking to be put into effect in the various States whether they like it or not? Of course, if we have a branch banking system in the case of national banks, no little independent State bank will be able to compete with it. The independent State banks will either be taken over by the branch bank or the legislatures of the States will be forced to authorize branch banking on the part of State banks in order that they may compete with the national banks.

Mr. President, it has been said upon the floor of the Senate by the Senator from Louisiana that Mr. Roosevelt is opposed to branch banking as provided in this bill. It has been said by the Senator from Virginia that Mr. Roosevelt is for this bill in its essence, and that Mr. Hoover also is favorable to it. I care not one whit whether the President of the United States or the President elect is for the bill. I am not in the confidence of the President elect, as my good friend from Virginia and my good friend from Louisiana are. I have not discussed this bill or any other bill with the President of the United States or with the President elect, and I know my friend from Virginia is closer to the President elect because he took a more active part in the preconvention campaign for him; but I want to say, Mr. President, that if Mr. Roosevelt had announced that he was for branch banking before the Chicago convention he would never have been nominated by that convention, and no other candidate who was for branch banking would have been nominated at that convention for President of the United States.

Mr. LONG. Mr. President, will the Senator permit me to ask him a question?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. I yield.

Mr. LONG. Does the Senator mean that the fact that the Senator from Virginia voted to unseat three Roosevelt delegations is a reason why he took a more active part than did the Senator from Montana in the campaign that nomi-

nated a candidate for President of the United States? I merely wish to get the matter straight. [Laughter.]

Mr. WHEELER. I am not interested in that phase of it, and do not know anything about it. So far as I am concerned, in what I have said regarding the Senator from Virginia there is nothing personal. I have a very high regard for him and for his ability and his integrity, and most of us have always thought that because he has been Secretary of the Treasury of the United States he, perhaps, understood the banking laws better than anybody else and we ought blindly to follow him; but this is not a question of banking, it seems to me; this is a question of public policy; and I say that no Senator dare go before the people of his State and propose that they vote upon branch banking, because he knows that the proposal would be overwhelmingly defeated by the people of his State. So the interests back of this bill have come here to the Congress of the United States, and the Congress has been besieged by lobbies urging the passage of this bill, urging that branch banking be imposed upon the people in order that they may obtain a monopoly of credit in the various States of the Nation. Let Senators vote for it and then go back to the people of their States and say, "I voted for it because I wanted to protect the depositors in the banks." What depositors? Where is the farmer who has any deposit in a bank to-day? Where is the workman who has any deposit in a bank to-day? Mr. President, if we wanted to protect the depositors the time to act was before 1929. It is proposed now to protect the depositors after the doors of the banks are closed, after the depositors have lost their money, because of the fact that the great banks that control the chain unloaded upon the little banks of the country South American bonds and fake stocks and fake bonds, and by reason of that they have had to close their doors. The great leaders in this body never voiced any protest on that score until after the money was gone from the banks.

Mr. President, I want to call attention again to a statement I made a moment ago with reference to absentee banking. The banks in the Northwest section, following the pioneers of that country, went in there and loaned money to individuals not because they had security but they loaned it to them because of their character and their integrity and their ability. Now, however, Mr. President, when an individual goes to a chain bank or to any branch bank in the western section of Canada, no matter how brilliant he may be, no matter what his ability may be, and no matter how excellent his character may be, and says, "I want to borrow money; I have no security, but I have ability and understanding, and I have integrity," he is immediately told that the loan can not be made. His application goes back to Toronto and from there to Montreal, and when it gets to Montreal the inquiry is made, "Where is the security?" not taking into consideration the thing, as any banker will tell you, that makes for the greatest security in the case of loans, and that is the integrity and the ability of the individual seeking the loan. I am perfectly amazed, Mr. President, that Senators should stand on the floor of the Senate and ask that there should be imposed upon their States a system that is going to turn over to a few selfish individuals and interests a monopoly of credit in their States.

I say to you, Mr. President, that this is one of the most important pieces of legislation that have come before the Congress. It is important because of the fact that it is a turning point in our economic life. It involves the question whether or not powerful banking interests are going to control the banking system of entire States. If they shall succeed in controlling the credit system of those States they will control the business, they will control the politics of those States, because they can then say to those who owe them money, as they have done in the past, "We insist that you vote thus and so." Likewise they will be able to control the State legislatures. The passage of this bill will give them a greater grip than it would be possible for them to secure in any other way.

So I say that the only people who are sending these circulars and telegrams from my State in advocacy of this bill

are acting in response to letters sent out from the Northwest Bancorporation; and they are being sent out in identically the same words and the same terms, as indicated by some I have here. I wish to call attention to a few of the letters that have come to me. Here is a typical one from the Farmers State Bank at Victor, from a man who has been in the banking business there, as an independent unit, for many years, a man of the highest type and the highest character. His bank is still running. Incidentally I wish to say that the safest bank, in my judgment, in all Montana is a unit bank, a bank in my home city. Without question of a doubt it is safer than any other single bank in practically all the Northwest. That is due to the fact that the banker himself is a good banker; he himself owns the majority of the stock of the bank; he controls it; he has been honest; he has not speculated, and he did not buy South American bonds. So to-day he has a safe bank.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. WHEELER. I can take an hour, as I understand, on the bill?

The VICE PRESIDENT. Is there objection to the Senator from Montana taking an hour on the bill?

Mr. WHEELER. It was agreed that that might be done.

Mr. LONG. Unanimous consent was given that the hour allotted might be taken at any time.

The VICE PRESIDENT. The Chair was not advised of that. If that was agreed to, of course, the Senator will be recognized to speak on the bill.

Mr. LONG. Mr. President, if the Senator from Montana will yield for a question, I should like to ask him if he will not suspend now? I understand the Senator from Pennsylvania desires to present some matter, and we only have five more minutes remaining before the time when it has been agreed we will take a recess.

Mr. WHEELER. Mr. President, I should like to finish my speech to-morrow, because, in fact, I have an engagement in a very short time which I must keep.

The VICE PRESIDENT. If the Senator yields for a recess, with the understanding that he will be recognized later, he will be recognized by the Chair to-morrow.

PROHIBITION OF EXPORTATION OF ARMS AND MUNITIONS

Mr. BORAH. Mr. President, I desire to ask unanimous consent for the consideration of Senate Joint Resolution 229, which has been reported from the Committee on Foreign Relations. It authorizes the President, under certain circumstances, to lay an embargo on the exportation of arms. It is very important that the matter be disposed of, and I understand that by asking unanimous consent it will not displace the measure now pending.

The VICE PRESIDENT. It will not displace the unfinished business if unanimous consent is given.

Mr. GLASS. Mr. President, I shall not object if it does not lead to debate.

The VICE PRESIDENT. The Senator from Idaho asks unanimous consent for the present consideration of Senate Joint Resolution 229. Is there objection?

There being no objection, the joint resolution was read, considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

A joint resolution (S. J. Res. 229) to prohibit the exportation of arms or munitions of war from the United States under certain conditions

Resolved, etc., That whenever the President finds that in any part of the world conditions exist such that the shipment of arms or munitions of war from countries which produce these commodities may promote or encourage the employment of force in the course of a dispute or conflict between nations, and, after securing the cooperation of such governments as the President deems necessary, he makes proclamation thereof, it shall be unlawful to export, or sell for export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country or countries as he may designate, until otherwise ordered by the President or by Congress.

Sec. 2. Whoever exports any arms or munitions of war in violation of section 1 shall, on conviction, be punished by a fine not exceeding \$10,000 or by imprisonment not exceeding two years, or both.

GREAT LAKES-ST. LAWRENCE DEEP WATERWAY TREATY

Mr. BORAH. Mr. President, while I am on my feet, I understand that there is on the table the St. Lawrence waterway treaty, and I am going to ask, as in executive session, that it may be made public. That is merely technical, because it really has already been made public.

The VICE PRESIDENT. Does the Senator also desire that the treaty be referred to the Committee on Foreign Relations?

Mr. BORAH. Yes.

The VICE PRESIDENT. Without objection, the injunction of secrecy is removed, and the treaty will be referred to the Committee on Foreign Relations.

The message, letter of the Secretary of State, and treaty are as follows:

EXECUTIVE C (72D CONG., 2D SESS.)

To the Senate of the United States:

To the end that I may receive the advice and consent of the Senate to ratification, I transmit herewith a treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed at Washington on July 18, 1932.

For the information of the Senate, there are also transmitted papers inclosed in the accompanying report of the Secretary of State. These are:

1. A copy of the report of the Joint Board of Engineers (reconvened) dealing with the St. Lawrence project, dated April 9, 1932. The report of the Joint Board of Engineers of November 16, 1926, together with the report of the United States-St. Lawrence Commission, dated December 27, 1926, was transmitted to Congress by my predecessor, President Coolidge, on January 3, 1927, and was printed as Senate Document No. 183, Sixty-ninth Congress, second session.

2. Copies of notes exchanged between the Secretary of State and the Canadian minister at Washington on January 13, 1933, clearing up the question of the effect of the treaty on the diversion of water for power purposes through the Massena Canal and the Grass River.

HERBERT HOOVER.

THE WHITE HOUSE, January 19, 1933.

(Accompaniments: Treaty and report by the Secretary of State, with inclosures.)

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate for the advice and consent of that body to ratification, if his judgment approve thereof, a treaty between the United States and the Dominion of Canada for the completion of the Great Lakes-St. Lawrence deep waterway, signed at Washington on July 18, 1932. There are inclosed herewith—

1. A copy of the report of the Joint Board of Engineers (reconvened), dealing with the St. Lawrence project, dated April 9, 1932, with seven plates. The report of the Joint Board of Engineers of November 16, 1926, together with the report of the United States-St. Lawrence Commission of December 27, 1926, was transmitted to Congress by President Coolidge on January 3, 1927, and was printed as Senate Document No. 183, Sixty-ninth Congress, second session.

2. Copies of notes exchanged between the Secretary of State and the Canadian minister at Washington on January 13, 1933, clearing up the question of the effect of the treaty on the diversion of water for power purposes through the Massena Canal and the Grass River.

It is respectfully suggested that the inclosures mentioned accompany the treaty to the Senate for the Senate's information.

Respectfully submitted.

HENRY L. STIMSON.

DEPARTMENT OF STATE,

Washington, January 18, 1933.

(Accompaniments: Treaty between the United States and the Dominion of Canada, signed at Washington, July 18, 1932; report of Joint Board of Engineers, April 9, 1932; from Canadian Legation, January 13, 1933; to Canadian Legation, January 13, 1933.)

The President of the United States of America and His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of the Dominion of Canada,

Recognizing that the construction of a deep waterway, not less than twenty-seven feet in depth, for navigation from the interior of the Continent of North America through the Great Lakes and the St. Lawrence River to the sea, with the development of the waterpower incidental thereto, would result in marked and enduring benefits to the agricultural, manufacturing and commercial interests of both countries, and

Considering further that the project has been studied and found feasible by the International Joint Commission, the Joint Board of Engineers, and by national advisory boards, and

Recognizing the desirability of effecting a permanent settlement of the questions raised by the diversion of waters from or into the Great Lakes System, and

Considering that important sections of the waterway have already been constructed, and

Taking note of the declaration of the Government of Canada of its intention to provide, not later than the date of the completion of the deep waterway in the international section of the St. Lawrence River, for the completion of the New Welland Ship Canal, and of canals in the Soulanges and Lachine areas of the Canadian section of the St. Lawrence River which will provide essential links in the deep waterway to the sea, and

Taking note of the declaration of the Government of the United States of its intention to provide, not later than the date of the completion of the deep waterway in the international section of the St. Lawrence River, for the completion of the works in the Great Lakes System above Lake Erie which will provide essential links in the deep waterway to the sea,

Have decided to conclude a Treaty for the purpose of ensuring the completion of the St. Lawrence Waterway project, and for the other purposes aforesaid, and to that end have named as their respective plenipotentiaries:

The President of the United States of America:

Henry L. Stimson, Secretary of State of the United States of America;

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, for the Dominion of Canada:

The Honorable William Duncan Herridge, P. C., D. S. O., M. C., His Envoy Extraordinary and Minister Plenipotentiary for Canada in the United States of America;

Who, after having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

PRELIMINARY ARTICLE

In the present Treaty, unless otherwise expressly provided, the expression:

(a) "International Joint Commission" means the commission established pursuant to the provisions of the Boundary Waters Treaty of 1909;

(b) "Joint Board of Engineers" means the board appointed pursuant to an agreement between the Governments following the recommendation of the International Joint Commission, dated the 19th December, 1921, and the "final report of the Joint Board of Engineers" means the report dated the 9th April, 1932;

(c) "Great Lakes System" means Lakes Superior, Michigan, Huron, Erie and Ontario, and the connecting waters, including Lake St. Clair;

(d) "St. Lawrence River" means the river known by that name and includes the river channels and the lakes forming parts of the river channels from the outlet of Lake Ontario to the sea;

(e) "international boundary" means the international boundary between the United States of America and Canada as established by existing treaties;

(f) "International Section" means that part of the St. Lawrence River through which the international boundary

line runs and which extends from Tibbetts Point at the outlet of Lake Ontario to the village of St. Regis at the head of Lake St. Francis;

(g) "Canadian Section" means that part of the St. Lawrence River which lies wholly within Canada and which extends from the easterly limit of the international section to the Montreal Harbor;

(h) "Thousand Islands Section" means the westerly portion of the international section extending from Tibbetts Point to Chimney Point;

(i) "International Rapids Section" means the easterly portion of the international section extending from Chimney Point to the village of St. Regis;

(j) "Governments" means the Government of the United States of America and the Government of the Dominion of Canada;

(k) "countries" means the United States of America and Canada.

ARTICLE 1

With respect to works in the International Section, Canada agrees, in accordance with the project described in the final report of the Joint Board of Engineers,

(a) to construct, operate and maintain the works in the Thousand Islands Section below Oak Point;

(b) to construct, operate and maintain a side canal with lock opposite Chrysler Island;

(c) to construct the works required for rehabilitation on the Canadian side of the international boundary.

ARTICLE 2

With respect to works in the International Section, the United States agrees, in accordance with the project described in the final report of the Joint Board of Engineers,

(a) to construct, operate and maintain the works in the Thousand Islands Section above Oak Point;

(b) to construct, operate and maintain a side canal with locks opposite Barnhart Island;

(c) to construct the works required for rehabilitation on the United States side of the international boundary.

ARTICLE 3

The High Contracting Parties agree to establish and maintain a temporary St. Lawrence International Rapids Section Commission, hereinafter referred to as the Commission, consisting of ten members, five to be appointed by each Government, and to empower it to construct the works in the International Rapids Section included in the project described in the final report of the Joint Board of Engineers (not included in the works provided for in Articles I and II hereof, and excluding the power house superstructures, machinery and equipment required for the development of power) with such modifications as may be agreed upon by the Governments, out of funds which the United States hereby undertakes to furnish as required by the progress of the works, and subject to the following provisions:

(a) that the Commission, in accordance with the provisions of Schedule A, attached to and made a part of this Treaty, shall be given the powers that are necessary to enable it to construct the assigned works;

(b) that, in so far as is possible in respect to the works to be constructed by the Commission, the parts thereof within Canadian territory, or an equivalent proportion of the total of the works, shall be executed by Canadian engineers and Canadian labor and with Canadian material; and, in so far as is possible, the remaining works shall be executed by United States engineers and United States labor and with United States material; and the duty of carrying out this division shall rest with the Commission;

(c) that the Parties may arrange for construction, in their respective territories, of such power house superstructures, machinery and equipment as may be desired for the development of waterpower;

(d) that, notwithstanding the provisions of Article IX, the Commission shall be responsible for any damage or injury to persons or property resulting from construction of the works by the Commission, or from maintenance or operation during the construction period;

(e) that, upon completion of the works provided for in this Article, the Parties shall maintain and operate the parts of the works situate in their respective territories.

ARTICLE 4

The High Contracting Parties agree:

(a) that the quantity of water utilized during any daily period for the production of power on either side of the international boundary in the International Rapids Section shall not exceed one-half of the flow of water available for that purpose during such period;

(b) that, during the construction and upon the completion of the works provided for in Article III, the flow of water out of Lake Ontario into the St. Lawrence River shall be controlled and the flow of water through the International Section shall be regulated so that the navigable depths of water for shipping in the Harbor of Montreal and throughout the navigable channel of the St. Lawrence River below Montreal, as such depths now exist or may hereafter be increased by dredging or other harbor or channel improvements, shall not be lessened or otherwise injuriously affected.

ARTICLE 5

The High Contracting Parties agree that the construction of works under the present Treaty shall not confer upon either of the High Contracting Parties proprietary rights, or legislative, administrative or other jurisdiction in the territory of the other, and that the works constructed under the provisions of this Treaty shall constitute a part of the territory of the country in which they are situated.

ARTICLE 6

The High Contracting Parties agree that they may, within their own respective territories, proceed at any time to construct alternative canal and channel facilities for navigation in the International Section or in waters connecting the Great Lakes, and that they shall have the right to utilize for this purpose such water as may be necessary for the operation thereof.

ARTICLE 7

The High Contracting Parties agree that the rights of navigation accorded under the provisions of existing treaties between the United States of America and His Majesty shall be maintained, notwithstanding the provisions for termination contained in any of such treaties, and declare that these treaties confer upon the citizens of subjects and upon the ships, vessels and boats of each High Contracting Party, rights of navigation in the St. Lawrence River, and the Great Lakes System, including the canals now existing or which may hereafter be constructed.

ARTICLE 8

The High Contracting Parties, recognizing their common interest in the preservation of the levels of the Great Lakes System, agree:

(a) 1. that the diversion of water from the Great Lakes System, through the Chicago Drainage Canal, shall be reduced by December 31st, 1938, to the quantity permitted as of that date by the decree of the Supreme Court of the United States of April 21st, 1930;

2. in the event of the Government of the United States proposing, in order to meet an emergency, an increase in the permitted diversion of water and in the event that the Government of Canada takes exception to the proposed increase, the matter shall be submitted, for final decision, to an arbitral tribunal which shall be empowered to authorize, for such time and to such extent as is necessary to meet such emergency, an increase in the diversion of water beyond the limits set forth in the preceding sub-paragraph and to stipulate such compensatory provisions as it may deem just and equitable; the arbitral tribunal shall consist of three members, one to be appointed by each of the Governments, and the third, who will be the Chairman, to be selected by the Governments;

(b) that no diversion of water, other than the diversion referred to in paragraph (a) of this article, from the Great

Lakes System or from the International Section to another watershed shall hereafter be made except by authorization of the International Joint Commission;

(c) that each Government in its own territory shall measure the quantities of water which may at any point be diverted from or added to the Great Lakes System, and shall place the said measurements on record with the other Government semi-annually;

(d) that, in the event of diversions being made into the Great Lakes System from watersheds lying wholly within the borders of either country, the exclusive rights to the use of waters equivalent in quantity to any waters so diverted shall, notwithstanding the provisions of Article IV (a), be vested in the country diverting such waters, and the quantity of water so diverted shall be at all times available to that country for use for power below the point of diversion, so long as it constitutes a part of boundary waters;

(e) that compensation works in the Niagara and St. Clair Rivers, designed to restore and maintain the lake levels to their natural range, shall be undertaken at the cost of the United States as regards compensation for the diversion through the Chicago Drainage Canal, and at the cost of Canada as regards the diversion for power purposes, other than power used in the operation of the Welland Canals; the compensation works shall be subject to adjustment and alteration from time to time as may be necessary, and as may be mutually agreed upon by the Governments, to meet any changes effected in accordance with the provisions of this Article in the water supply of the Great Lakes System above the said works, and the cost of such adjustment and alteration shall be borne by the Party effecting such change in water supply.

ARTICLE 9

The High Contracting Parties agree:

(a) that each Party is hereby released from responsibility for any damage or injury to persons or property in the territory of the other, which may be caused by any action authorized or provided for by this Treaty;

(b) that they will severally assume responsibility and expense for the acquisition of any lands or interests in land in their respective territories which may be necessary to give effect to the provisions of this Treaty.

ARTICLE 10

This Treaty shall be ratified in accordance with the constitutional methods of the High Contracting Parties. The ratifications shall be exchanged in Washington or in Ottawa as soon as practicable and the Treaty shall come into force on the day of the exchange of ratifications.

In faith whereof the respective plenipotentiaries have signed this Treaty in duplicate and have hereunto affixed their seals.

Done at the city of Washington the eighteenth day of July in the year of our Lord one thousand nine hundred and thirty-two.

[SEAL]

HENRY L. STIMSON

[SEAL]

W. D. HERRIDGE

SCHEDULE A

ST. LAWRENCE INTERNATIONAL RAPIDS SECTION COMMISSION

(a) The Commission, established under the provisions of Article III of this Treaty, shall function solely as an international commission established under, and controlled by, the terms of this Treaty. It shall not be subject, generally, to the legislative, to the executive or, except as hereinafter provided, to the judicial authorities in either country, but it shall be subject to this and to any subsequent agreement.

(b) The modifications referred to in Article III of this Treaty shall be regarded as effective when confirmed by an exchange of notes by the Governments.

(c) The Commission shall have power to establish orders, rules or by-laws, and such orders, rules or by-laws, together with any amendments, modifications or repeals thereof, shall be effective on confirmation by an exchange of notes by the Governments.

(d) The Governments shall be entitled to inspect the plans, proposals or works under construction, and to inspect and audit the books and other records of the Commission.

(e) In order to enable the Commission effectively to perform the duties imposed upon it by this Treaty, it is agreed that the appropriate authorities in the countries will take such action as may be necessary to confer upon the Commission the following capacities, powers and liabilities:

1. all such specific capacities, powers and liabilities as are reasonably ancillary to the establishment of the Commission and the duties and functions imposed upon it by this Treaty; the subsequently enumerated capacities, powers and liabilities are not intended to restrict the generality of this clause;
2. the capacity to contract, to sue and be sued in the name of the Commission;

3. freedom from liability for the members of the Commission for the acts and liabilities of the Commission and, conversely, a general responsibility of the Commission for the acts of itself, its employees and agents, in the same manner as if the Commission were a body corporate, incorporated under the laws of either of the countries;

4. the power to obtain the services of engineers, lawyers, agents and employees generally;

5. the power to make the necessary arrangements for Workmen's Compensation either directly or with the appropriate authorities or agents in either country, so as to insure to workmen and their families rights of compensation equivalent to those which they would ordinarily receive in the Province of Ontario in respect to the parts of the works within Canadian territory, or the equivalent works as referred to in Article III (b) of this Treaty, or in the State of New York in respect to the remaining works.

(f) The Commission shall be subject to the jurisdiction of the Federal Courts of the two countries, respectively, that is to say, in respect to all questions arising out of the part of the works within Canadian territory or the equivalent works, as referred to in Article III (b) of this Treaty, the Commission shall be subject to the jurisdiction of the Exchequer Court of Canada, and, in respect to the remaining works, to the jurisdiction of the Federal Courts of first instance in the United States; and there shall also be established rights of appeal, analogous to the appeals in similar matters from the respective courts to the appropriate tribunals in the respective countries: provided, however, that in respect of a claim made upon the Commission exceeding in amount the sum of fifty thousand dollars (\$50,000), either of the Governments, at any time after such claim has been tried and judgment entered in the appropriate court of first instance herein provided for, may cause the matter to be referred by way of appeal to an arbitral tribunal. Such reference shall be effected by notice from the Government invoking this proviso to the other Government and to the Court, given within ninety days of the entry of such judgment, and such notice shall give to the tribunal jurisdiction over the appeal, or cause any appeal already taken to be transferred to the tribunal. The tribunal shall consist of three members, all of whom must hold, or have held, high judicial office. One shall be appointed by each Government, and the third shall be selected by the two members so appointed; or, in the event of failure to agree, by the Governments jointly. The tribunal so established shall then have, in respect to such claim, exclusive final jurisdiction and its findings shall be binding upon the Commission.

(g) In view of the need for coordination of the work undertaken by the Commission and the development of power in the respective countries, the Commission shall have authority:

1. to make contracts with any agency in either country, which may be authorized to develop power in the International Section, for the engineering services necessary for the designing and construction of the power works;

2. to defer such parts of the power works as need to be constructed in conjunction with the installation of power house machinery and equipment, and to make contracts with any agency in either country, which may be author-

ized to develop power, for constructing such deferred parts of the power works.

(h) The remuneration, general expenses, and all other expenses of the members of the Commission shall be regulated and paid by their respective Governments and all other expenses of the Commission shall be defrayed out of the funds provided under the terms of Article III of this Treaty.

(i) The Governments agree:

1. to permit the entry into their respective countries within the area immediately adjacent to the International Section, to be delimited by an exchange of notes by the Governments, of personnel employed by the Commission, and to exempt such personnel from their immigration laws and regulations within such area;

2. to exempt from customs duties, excise or sales taxes, or other imposts, all supplies and material purchased by the Commission in either country for its own use.

(j) The Commission shall continue until its duties under Article III of this Treaty have been completely performed. The Governments may, at any time, reduce its numbers, provided that there must remain an even number of members with the same number appointed by each Government. Upon completion, arrangements will be made for the termination of the Commission and the bringing to an end of its organization by agreement between the Governments.

DUMPING OF ANTHRACITE COAL ON AMERICAN MARKET

Mr. DAVIS. Mr. President, a constituent has sent me a newspaper clipping from the New York American, which is very short and which I should like to read:

FOREIGN COAL DUMPING KEEPING MINERS IDLE

NEW YORK, January 16.—Although Congress fixed a tariff of \$2 a ton on coal, depreciated currencies abroad have overcome the barrier and hard coal is again being dumped on the American market, the Anthracite Institute announced to-day in a review of 1932.

"As a result," the review said, "6,400 miners were idle in Pennsylvania, and American coal production registered another decline. Moreover, tariff barriers erected against American coal have caused the unemployment of another 1,000 miners and 200 railroad workers."

I am interested in anthracite coal, which is specifically mentioned in the news item, because it is a major industry in my State.

When interviewed by the press last Saturday, Mr. President, I said that it will be necessary to have an absolute embargo on foreign competitive products coming to the United States because the depreciation of currencies abroad is having a ruinous effect on American industry. We are constantly thinking in terms of a foreign market, and not of our own market, and it reminds me of the story of the young boy and his father who went out berry picking. They arrived at the berry patch. On one bush was enough to fill the pails; the father selected one bush and began to pick and in a short time had his bucket filled. He called the boy to start for home, but when he came to his father his bucket was half filled. The father said, "Son, you have been running around from bush to bush. There is enough on that bush to fill your bucket, and if you will just concentrate on that one bush, your bucket will be filled."

So, Mr. President, it seems to me that we should concentrate on reviving the American market through the purchase of American-made goods and thus give American industry, labor, and commerce every possible help in reviving the home market.

Again I ask, what will it profit us if we permit wholesale importation of foreign competitive products made by cheap labor, paid by debased currency, to flood the American market and only swell the flood of unemployed?

TAX EXEMPTION OF INAUGURAL ADMISSION TICKETS

Mr. ROBINSON of Arkansas. Mr. President, I ask the Chair to lay before the Senate House Joint Resolution 559, coming over from the House of Representatives.

The VICE PRESIDENT. The Chair lays before the Senate a joint resolution, which will be read.

The Chief Clerk read the joint resolution (H. J. Res. 559) to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the committee on inaugural ceremonies on the occasion of the inauguration of the President elect in March, 1933, as follows:

Resolved, etc., That all amounts paid for admission tickets sold by authority of the committee on inaugural ceremonies of the inauguration of the President elect in March, 1933, shall be exempt from the tax on admissions imposed by section 500 of the revenue act of 1926, as amended, all the net proceeds from the sale of said tickets to be donated by the said committee to charity.

Mr. ROBINSON of Arkansas. I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBINSON of Arkansas. Mr. President, I should like to have printed in the RECORD a letter from the Treasury Department relating to the joint resolution.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, January 13, 1933.

LESLIE C. GARNETT, Esq.,

Chairman Legislative Committee, Inaugural Committee,
Washington, D. C.

DEAR MR. GARNETT: I have your letter of January 13, 1933, inclosing copy of proposed joint resolution to exempt from the admissions tax all tickets sold by authority of the committee on inaugural ceremonies on the occasion of the inauguration of the President elect on March 4, 1933. For the purpose of clarity a redraft of the resolution has been prepared, which I inclose herewith. The Treasury Department will interpose no objection to the adoption of the proposed joint resolution in the form attached.

Yours very truly,

OGDEN L. MILLS,
Secretary of the Treasury.

BIRTHDAY OF GEN. ROBERT E. LEE

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD a brief sketch of the life of Robert E. Lee, by Hal Paul Phillips.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

A BRIEF SKETCH OF THE LIFE OF ROBERT E. LEE By Hal Paul Phillips

Robert E. Lee, fourth son of General Henry Lee (known in history as "Light Horse Harry" Lee), and the third son of Anne Carter, his second wife, was born January 19, 1807, at Stratford, Westmoreland County, Virginia—about a mile from the south bank of the Potomac River.

As a youth, as a young man, and all through life he was an ardent admirer of Gen. George Washington, and it is said one could not fail to note the strong resemblance of his character in its strength, its poise, and its rounded completeness to that of Washington.

In 1825, at the age of 18, he entered West Point as one of Virginia's representatives. It is said that Andrew Jackson, then United States Senator from Tennessee, to whom he applied in person, was responsible for his appointment to the academy.

In a class of 46 Lee graduated second with the extraordinary distinction of not having received a demerit. He and Joseph E. Johnston entered the academy as classmates and here a friendship was formed that was never impaired.

June 30, 1831, he married Miss Mary Parke Custis, granddaughter of General Washington's stepson. Seven children were born to them, all of whom grew up—two adopted the profession of arms and rose to the rank of major general in the Confederate Army.

After graduating from the Military Academy he was assigned to the engineers. His first service was in Virginia, where he was engaged on seacoast defense, an experience greatly helpful later on when he was called to construct coast defenses of the Carolinas.

When the bloody negro uprising known as the "Nat Turner rebellion" occurred, he was stationed near by at Fortress Monroe. The important mission of quelling this rebellion—in which he succeeded—was intrusted to him.

In 1834 he was assigned to Washington as assistant to the Chief Engineer of the Army; in 1836 he was promoted to the rank of first lieutenant and in 1838 to the rank of captain.

When the Mississippi River, owing to a gradual change in its banks, threatened the city of St. Louis, he was sent by General Scott to take charge, and although the city withdrew its appropriation because of his methodical way, the young engineer succeeded.

In 1842 he was assigned to Fort Hamilton, where for several years he was engaged in improving defenses of New York Harbor. Two years later he was appointed on Board of Visitors of the

United States Military Academy. His efficient service thereon prepared him for the position of superintendent of the academy later on—1852.

During the Mexican War Lee, starting in as an engineer officer on the staff of General Wool, achieved more renown than any other soldier of his rank, and possibly more than any other officer in the army of invasion except the Commander in Chief. He became General Scott's chief of staff, and between the two was cemented a friendship which even the Civil War could not destroy. His scouts and reconnaissances at Cerro Gordo, Contreras, Churubusco, and Chapultepec brought him the brevets of major at Cerro Gordo April 18, 1847, of lieutenant colonel at Contreras and Churubusco, and of colonel at Chapultepec September 13. General Scott declared that he was the "very best soldier he ever saw in the field."

Such, in brief, was Col. Robert E. Lee when at the age of 54 he found the storm of Civil War on the verge of bursting upon the country.

April 17, 1861, Virginia seceded from the Union; and three days later, April 20, Colonel Lee resigned his commission in the United States Army. To his sister, whose husband and son espoused the Union cause, he wrote: "With all my devotion to the Union and the feeling of loyalty and duty of an American citizen, I have not been able to make up my mind to raise my hand against my relatives, my children, my home. I have, therefore, resigned my commission in the Army; and save in defense of my native State, with the sincere hope that my poor services may never be needed, I hope I may never be called on to draw my sword."

As he wrote his son April 5, 1852: "Do your duty in all things like the old Puritan. You can not do more; you should never wish to do less. Duty is, then, the sublimest word in our language." So for four years he followed duty with the constancy of the northern star.

"Of whose true, fixed, and lasting quality,
There is no fellow in the firmament."

After the war, although tendered positions carrying with them large salaries, General Lee accepted the presidency of Washington College at a salary of \$1,500 a year—October 2, 1865.

At the age of 63, October 12, 1870, General Lee passed away and was buried in the little mountain town of Lexington, in the valley of Virginia, where he lived and where he died.

"A prince once said of a monarch slain,
'Taller he seems in death.'"

THE EVERGLADES NATIONAL PARK PROJECT

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD an article appearing in the Florida Times-Union of January 15, 1933, respecting the Everglades National Park project.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

THE EVERGLADES NATIONAL PARK PROJECT

The Everglades National Park project is now generally accepted in official Washington as an ultimate reality, according to Ernest F. Coe, chairman of Everglades National Park Association, that so untiringly and for so many years has devoted commendable efforts to securing for Florida this exceedingly important asset, one that will be thoroughly appreciated by the people of this State as also by millions of others to be attracted here in oncoming years to enjoy a great natural park of unusual beauty and attractiveness.

Acceptance by official Washington of this proposed Everglades National Park project as an ultimate reality, however, is insufficient for procurement of this great and important asset for the State of Florida and the world at large. The approval of the Congress and of the Chief Executive of the Nation is necessary in order to make the dream and the hope of millions of people come true. Such approval is awaited with more than usual interest. The sincere hope of the present is that the necessary consent of the Congress now in session for the creation and permanent establishment of this park in Florida, as well as the consent of the President, will be secured before adjournment on March 4, next.

The Senate already has given its approval of this park project. It needs only the approval of the House and formal approval by the President to bring about that which so ardently is desired by millions of people. The final steps for making the Everglades National Park project a reality can be taken in a very few minutes, once the House can be brought to act; the President's favorable action is practically assured.

Hence the present very great need to urge action by the House, notwithstanding that so very many other matters claim its attention. Such urging, it is believed, the Florida Members of the House will put forth at this time in order that consummation of a most worthy purpose will be achieved. They will be greatly aided, however, if the people of this State in considerable number, by telegram, letter, or personal appeal, will back them up in their efforts to have the Everglades National Park bill finally adopted. The purpose of this Florida national park bill is thoroughly understood by every Member of the House and the project has their approval generally, it is understood. All that is required, therefore, is to find the time to give final approval of the bill now pending. Tactful proceeding, there is reason to believe, will bring definite and desired results.

VICTOR PARRAVICINO

Mr. COPELAND. Mr. President—

Mr. FESS. I yield to the Senator from New York.

Mr. COPELAND. I call the attention of the Senate to an injustice done a citizen of my State by a former American consul at Barbados. I exchanged letters with the State Department with reference to the matter and desire to include them in the RECORD.

At this time I wish to express my appreciation of the manner in which the State Department handled the situation. The thorough investigation made disclosed the incorrectness of the consul's report and the real facts as respects the reputation of Mr. Parravicino. It resulted also in removing the cause of the uncalled-for trouble.

I ask that the letters be printed in connection with my remarks.

The VICE PRESIDENT. Is there objection?

The Chair hears none, and it is so ordered.

The letters are as follows:

NEW YORK, N. Y., June 15, 1932.

Hon. ROYAL S. COPELAND,

Senate Office Building, Washington, D. C.

DEAR SENATOR COPELAND: I am an American-born citizen—in fact, I was born in your city of New York.

I have been engaged in business in Barbados for the past 24 years. I am honorary consul for Italy, Portugal, Santo Domingo, and Paraguay, and besides which I represent various American houses in Barbados and in other islands; and am pleased to say that my character and reputation during my entire business period I consider has been a credit to the American Nation.

About three years ago Mr. William W. Brunswick was appointed consul for the United States of America at Barbados. On his arrival there he remained for about four months at the Hotel Windsor, which hotel I happen to own. After four months Mr. Brunswick left, and the manager of the hotel told me that Mr. Brunswick had applied for reduced rates, and, because it was impossible to reduce the rates, he left.

I am also half owner of the Barbados Aquatic Club, which is a seaside club. Mr. Brunswick and his wife came to the club repeatedly without being members, and eventually the secretary of the club, who lives on the premises, stopped them and told them it was against the rules for anyone to be in the club who was not a member; and eventually Mr. Brunswick did join the club. I personally have never had any conversation with Mr. Brunswick.

On the 20th of April of last year I was coming to New York on business, and, as my date for reregistering by the American consul was the 18th of May, I went into the consulate and told the clerk there that my date of reregistering was the 18th of May, but as I would not be there, as I was leaving on the 29th for New York, that I wanted to reregister that day, which I did do; and at that time I knew that Mr. Brunswick was to be moved to Portugal—and, in fact, he is now in the consulate at Lisbon, Portugal.

During that visit in the States I interviewed several houses on business, as I usually do, and also several new connections; and I arrived at Barbados on my return on the 5th of July.

By sheer coincidence, one of the houses, with whom I have made arrangements to represent in Barbados, advised me before leaving New York that they would forward me samples and prices by first mail, but I heard nothing from them, and on the 22d of July I got a letter from my sister, who happens to work with this firm, in which she writes to advise me that she heard one partner say to the other, "Did you send Parravicino the samples yet? If you have not done so, I would advise not sending same, as I have before me a Government report that does not speak favorably of him," and, of course, on this account I have never heard a word from this firm up to to-day.

I immediately interviewed the new consul, who was taking the place of Mr. Brunswick, Consul J. C. Dorr, and I asked him to at once get in touch with the three banks and with the leading business houses of the island and asked him to forward a report to Washington immediately, as his predecessor had sent in a very defamatory report regarding me. I advised him at the same time that a report of this kind would do me no end of damage as regards my character and business, and that I was leaving immediately for Washington to have this matter attended to.

I arrived at Washington August 8, and presented to Mr. Byington a letter handed me by the consul at Barbados, and attached I beg to hand you copy of this letter No. 1. I am also handed by the consul a letter, copy attached, No. 2, and on the 8th I called on Mr. Byington. He tells me that he is very sorry about this affair and if I will call him at his office on Monday.

On Monday I again returned to his office and he took me up to the commercial office of the Department of State, and I was asked not to deliver my letter No. 2, but that the commercial office of the Department of State would see that a revised report, as per report sent in by Consul Dorr, would be immediately forwarded to parties, with whom I was doing business, and that I would hear further from them.

I waited there until the following Tuesday, the 18th, and not having heard anything further, I again returned to Mr. Byington's office. I saw there a Mr. Stewart, who advised me that Mr. Byington was away for the week-end and would be returning the following day. I said I would see him the following day. I went in on the following day to Mr. Byington to see what could be done. Well, he told me he had done all he could do, and that he would discipline Consul Brunswick. I told him I didn't see how this was going to help me in any way, as through the act of Consul Brunswick, who was a servant of the Department of State, I was placed to the inconvenience and loss of having to leave my business plus the expense of having to come here to endeavor to have my reputation and character put right through a malicious act of their servant. Well, he put me off with the fact that he could not do anything.

On the following day I was determined to have some kind of hearing or justice in some way, and I went to the office of Mr. Castle, the Acting Secretary of State. I interviewed his secretary, who told me that Mr. Castle was out at the moment, but that he would ring me at my hotel and let me know when Mr. Castle could make an appointment. He telephoned me at my hotel at 5.30 in the evening, telling me that Mr. Castle could not grant me an appointment, that Mr. Byington already had taken care of the matter, and that if I were not satisfied he would refer me back to Mr. Byington.

On the following morning I went again to the office of Mr. Castle and again saw his secretary. He told me that I must go back to Mr. Byington, and on this occasion Mr. Byington takes me up to the legal adviser of the Department of State, and I have a long talk with this party, whose name I understood to be Mr. Mitzka, and he left me there with him. I told Mr. Mitzka my entire story, and he agreed with me that I had been done a gross damage by the servant of the Department of State, but went on to say that I certainly should have some redress, but that the department could not do anything except by special appropriation by Congress.

The fact remains that between seeing one party and another, I remained in Washington for about three weeks, and at the request of the Department of State I do not present letter No. 2 to the Department of Commerce.

Now as I see this matter, I have been maliciously wronged by Consul Brunswick in his capacity as servant of the State Department. He has tried to take from me my character and reputation, which are things that can not be bought. I do not know how far-reaching the injury has been done to me as regards my business connections. I have been forced to leave my business in Barbados and come up here. I have been forced to incur considerable expenditure in doing so, and I do feel that there must be some justice somewhere.

I do not see how this man can use his office as a servant of the Department of State to maliciously start out to do me an injury of this kind. I attach to this letter document No. 3, which was a report sent out by the Department of Commerce based on the report sent in by Consul Brunswick under date of the 29th of April, 1931. I also attach document No. 4, which was sent out by the Department of Commerce based on report sent in by Consul Dorr under date of the 28th of July, 1931, and I am sure you will readily see what injury this document No. 3 has done to me. I now ask if you will use your good offices in endeavoring to see that some justice is dispensed to me.

During the past month I have been in New York and have been engaged almost continuously in attempting to get some relief from the State Department. I have made one trip to Washington, but without success.

My address in New York is: In care Quaker Oats Co., 17 Battery Place, New York City.

Assuring you of my appreciation of anything you may be able to do for me, and with best wishes, I am
Respectfully,

VICTOR PARRAVICINO.

Report on: V. Parravicino.

Address: Bridgetown, Barbados, British West Indies.

Classes of goods and character: Steamship agent, importer, wholesaler and retailer of foodstuffs.

Language of correspondence: English.

Code address: Parravicino.

Code used: All modern codes.

Buys chiefly: Domestic —; Foreign: United States, 25 per cent; Canada, 75 per cent.

Imports on: Commission.

Organization: Individual.

Established: 1908, Barbados.

Representatives in United States: None.

Financial references: Canadian Bank of Commerce.

Stated capital: \$10,000.

Number of employees: Two.

Date of this report: April 29, 1931.

Relative size of concern: Medium.

Managers or partners: V. Parravicino, age 49, American citizen.

Capital stock controlled by: V. Parravicino.

Stock and plant protected by insurance: \$1,000.

General reputation: Reported to bear a poor reputation.

Report on: V. Parravicino.

Address: Bridgetown, Barbados.

Classes of goods and character of business: Importer, wholesale and commission merchant handling foodstuffs and dry goods. Exporter of sugar.

Language of correspondence: Spanish, French, English, Italian.
Code address: Parravicino.
Code used: All codes.
Buys chiefly: Foreign—United States 75 per cent, Canada 25 per cent.

Imports on: Own account, yes; commission, yes.
Organization: Individual.
Established: 1908 Barbados.
Branch houses: None.
Traveling representatives: Two covering the West Indies.
Representatives in United States: None.
Financial references: Canadian Bank of Commerce; the Royal Bank of Canada; and Barclay's Bank; the Quaker Oats Co., 17 Battery Place; R. C. Williams & Co. (Inc.), Tenth Avenue and Twenty-fifth Street.

Stated available capital: \$70,000.
Annual sales: \$200,000 normal.
Stated paid-in capital: \$50,000.
Number of employees: Five.
Date of this report: July 28, 1931.
Relative size of concern: Large.
Manager or partners: None.
General reputation: Reported to be excellent.
Insurance: £200,000 open cover insurance, of which £100,000 is against fire and £100,000 is against hurricane.

It is reported that: The subject owns the Hotel Windsor and is copartner in two clubs. He is also consul for Italy, Portugal, Santo Domingo, and Paraguay.

DEPARTMENT OF STATE,
Washington, June 25, 1932.

The Hon. ROYAL S. COPELAND,
United States Senate.

MY DEAR SENATOR COPELAND: I have your letter of June 22 inclosing a communication of June 15 from Mr. Victor Parravicino, care of the Quaker Oats Co., 17 Battery Place, New York City, and requesting my comments upon it.

The facts are that Mr. William W. Brunswick, consul at Barbados, made a report upon the local reputation and business standing of Mr. Parravicino in Barbados for the use of the Department of Commerce. Upon request for information in regard to Mr. Parravicino, the nature of that report was communicated to several business firms. Mr. Parravicino learned of the report, protested that it was incorrect and due to personal difficulties between him and Consul Brunswick. Investigation by the department revealed that the report was incorrect and it was replaced in the files of the Department of Commerce by a correct statement of the facts, and they were communicated also to all of the persons who had been apprised of the nature of Mr. Brunswick's report. In other words, this department and the Department of Commerce endeavored, and it is believed they succeeded, in removing the harmful effects of the report made by Mr. Brunswick. Mr. Parravicino requested the department to indemnify him for expenses which he says he incurred in coming to Washington to take up this matter and obtain a correction of it, and also to take disciplinary action against Consul Brunswick who made the original report. He was informed that while the department had endeavored and believed it had succeeded in repairing any damage to his commercial reputation arising from the erroneous report submitted by Mr. Brunswick, it was without any means of reimbursing any expense which he had necessarily incurred in connection with the matter, but that under the law he could, if he saw fit, bring suit against Mr. Brunswick and his bondsmen for such damages as he might wish to claim.

In relation to his request that disciplinary action be taken with respect to Mr. Brunswick, he was informed that that is a matter which the department must deal with according to the facts and that Mr. Brunswick had been ordered to appear before the Foreign Service Personnel Board for the purpose of explaining his conduct and making it possible for the department to determine the action to be taken in regard to it.

Sincerely yours,

H. L. STIMSON.

DEPARTMENT OF STATE,
Washington August 20, 1932.

The Hon. ROYAL S. COPELAND,
United States Senate.

MY DEAR SENATOR COPELAND: In the absence of the Secretary your letter of July 30, 1932, concerning Mr. William W. Brunswick, has been referred to me, and in reply I may say that in a communication dated August 17, 1932, Mr. Brunswick was informed of his retirement as a Foreign Service officer because of physical disability.

Sincerely yours,

W. R. CASTLE, Acting Secretary.

LAKE CHAMPLAIN BRIDGE

The VICE PRESIDENT laid before the Senate the amendments of the House to the bill (S. 5059) to extend the time for completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt., which were, on page 1, line 8, after "1929," to insert "heretofore extended by act of Congress approved April 19,

1930," and to amend the title so as to read, "An act to extend the time for completing the construction of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt."

Mr. AUSTIN. I move that the Senate concur in the amendments of the House.

Mr. LONG. Mr. President, is this a bridge bill?

The VICE PRESIDENT. It is a bridge bill.

Mr. LONG. I do not see why that should be taken up. We ought to have a regular morning hour here some time soon, anyway.

The VICE PRESIDENT. This is a privileged matter that the Chair can lay down. The question is on agreeing to the amendments of the House.

The amendments were agreed to.

SURVEY OF GREEN RIVER, WASH.

Mr. GRAMMER. Mr. President, earlier in the day I reported out from the Commerce Committee a bill for which I now ask consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington?

Mr. LONG. Mr. President, I do not know what the bill is. I have some small matters on the calendar that I can not get up. I do not want to be unkind to the Senator from Washington.

Mr. GRAMMER. Mr. President, in order that the Senator may understand what the bill is I will state that it is an authorization to the War Department to make a reconnaissance of flood control in the State of Washington.

The VICE PRESIDENT. The bill will be read for the information of the Senate.

The Chief Clerk read the bill (H. R. 11930) to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MOSES. Mr. President—

Mr. TRAMMELL. Mr. President, at the last session of Congress I think there was a pretty positive declaration of policy in dealing with these survey items, to the effect that they would have to go into the river and harbor bill. I know nothing about this measure. It may be entirely meritorious.

The VICE PRESIDENT. No appropriation is asked for.

Mr. TRAMMELL. I know; these bills ordinarily do not call for appropriations; but if we are to have piecemeal river and harbor items in independent bills, I have a good many survey items in Florida that I desire to bring to the attention of the Senate and Congress.

I do not like to oppose anything the Senator from Washington wants, but I think this matter had better go over for further consideration.

The VICE PRESIDENT. Objection is made.

RECESS

Mr. FESS. Mr. President, I move that the Senate take a recess until 12 o'clock noon to-morrow.

Mr. MOSES. Mr. President, just a minute. Why recess when there is pressing business before the Senate?

The VICE PRESIDENT. The question is on the motion of the Senator from Ohio.

The motion was agreed to; and (at 4 o'clock and 34 minutes p. m.) the Senate took a recess until to-morrow, Friday, January 20, 1933, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 19, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, open before us, more perfectly, the royal way of the soul; chiding ourselves, may we cherish good impulses, generous thoughts, and an upward-seeking desire for the flower of grace and the rich fruits of righteousness. Be gracious and give us Thy star to brighten our

pathway and the key to the treasure house of wisdom. O Spirit of God and our Heavenly Father upon earth, we pray from the depths of our soul for our President and our President elect. Be with them in all their counsels, and may they speedily ripen into fulfillment. Stimulate them with the highest impulse of patriotism and unite them in a common zeal and in a common consecration. Oh, may they lay the ax at the roots of fear, loss, and danger until they shall be no more and our people shall reap abundantly of comfort and be a joy in themselves. Oh, rise sun of hopeful, glorious day. Rise higher and higher in our Nation's sky, with healing in thy beams, and may they radiate everywhere. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed a joint resolution of the House of the following title:

On January 14, 1933:

H. J. Res. 154. Joint resolution to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

GROUPING, CONSOLIDATION, AND COORDINATING EXECUTIVE AND ADMINISTRATIVE AGENCIES OF THE GOVERNMENT

Mr. O'CONNOR. Mr. Speaker, I call up a privileged resolution (H. Res. 350) from the Committee on Rules.

The Clerk read as follows:

House Resolution 350

Resolved, That upon the adoption of this resolution the House shall consider House Resolution 334, a resolution disapproving the several Executive orders grouping, coordinating, and consolidating certain executive and administrative agencies of the Government, as set forth in the message of the President to the Congress, dated December 9, 1932; that after two hours' debate, which shall be confined to the resolution, and to be equally divided and controlled by the chairman and ranking minority member of the Committee on Expenditures in the Executive Departments, the previous question shall be considered as ordered on the resolution to its adoption or rejection without intervening motion except one motion to recommit.

Mr. O'CONNOR. May I ask the gentleman from Indiana [Mr. PURNELL] if the gentleman desires any time on the rule?

Mr. PURNELL. I would like the usual 30 minutes. In conformity with the more or less general understanding of the Members of the House that time would be extended, will the gentleman ask unanimous consent that the time be extended at least an additional hour on the resolution?

Mr. O'CONNOR. Mr. Speaker, the rule itself will permit of one hour discussion, and the resolution which will be considered under the rule will permit of two hours. That is a total of three hours. In order to be sure to complete the entire subject to-day, I do not feel that we should extend the time.

Mr. PURNELL. The gentleman realizes there was a sort of tacit understanding, if not a gentleman's agreement, that a request would be made for additional time. So many gentlemen on this side—and I assume on the other side—have asked for time, as it is a matter of considerable importance and one that should be discussed for additional time, that I hope the gentleman will make that request.

Mr. O'CONNOR. Just to keep the record straight, the gentleman from Indiana recalls that on yesterday I informed him that the majority could not agree to extend the time.

Mr. SNELL. Will the gentleman yield for a question?

Mr. O'CONNOR. I yield.

Mr. SNELL. Of course, this is practically all that will take place to-day. There is nothing to do when the resolution has been adopted. That completes it. It does seem that the gentleman ought to be a little more generous, because this is one of the most important problems coming before us. It has been before the House, more or less, for the last year and a half. We really think we are entitled to more consideration in time for debate. Furthermore, per-

mit me to say that on last Saturday in general debate when we had 45 minutes that was not used and which the gentleman from South Dakota [Mr. WILLIAMSON] intended to use on this subject, we yielded on account of the lateness of the hour. I really feel the gentleman ought to be fairly generous and give us a little more time in the discussion of this important problem.

Mr. O'CONNOR. It may be an important subject, but it is not a very involved one. I am afraid I would have to object to any extension of the time.

Mr. SNELL. I think it is fairly involved when we consider the entire subject matter covered. Of course, we appreciate the fact that if you want to force it through, you have the votes to do it. We plead with you in a very gentlemanly manner that perhaps you would be a little more generous in the distribution of time.

Mr. O'CONNOR. I regret that I can not. Let us complete it within the time set and proceed to other business.

The SPEAKER. The gentleman from New York [Mr. O'CONNOR] is recognized and has one hour.

Mr. O'CONNOR. Mr. Speaker, I have yielded 30 minutes to the gentleman from Indiana [Mr. PURNELL].

At this time I desire to say no more than that the resolution is very simple and provides for two hours' debate on the Cochran resolution.

I reserve the balance of my time, Mr. Speaker.

Mr. PURNELL. Mr. Speaker, I regret that the proponents of this resolution have not seen fit to open the debate with at least a brief statement in justification of this very unusual procedure. I shall take only a minute or two to register my opposition to this rule. In that time I want to urge upon the Membership of the House that this question be stripped of politics, in so far as politics can be eliminated in the closing hours of a lame-duck session, and that we give thoughtful consideration to the serious matters involved in the resolution.

I can not agree with my colleague on the Committee on Rules that this question is not involved. I think it is highly involved and of very great importance, because it represents what I conceive to be an earnest effort to consolidate various governmental activities in the hope that such action will result in a great saving to the country.

It is hardly necessary to go back and remind the membership of the House that on June 30 last the President of the United States signed the legislative appropriation bill, section 2 of which, the economy act, contained a provision for the reorganization of the executive departments, and in which the President was given certain authority, within limited power, to group, coordinate, and consolidate Government activities. Acting under that authority, the President submitted on the 9th day of December a very thorough and exhaustive message containing recommendations for the consolidation of some 58 governmental activities. In my humble judgment, no man in the United States is better equipped or more competent to say what governmental activities can be coordinated and consolidated, with a view to saving governmental funds, than the present President of the United States. [Applause.]

I do not understand the attitude of those who are supporting this resolution. If we are to look at it from a purely political angle, from a strategic angle, it would seem to me that in the interest of orderly procedure it would be of great assistance to the incoming President to take advantage of such recommendations as have been made by President Hoover in his special message, bearing in mind, of course, that it would still lie within the power of the incoming President to accept all, reject all, or make such other transfers or consolidations as he might see fit to make. Of course, if you see fit to disregard the work of a man who is generally regarded as an expert, ignore all that has been done by him and his assistants, and assume full and complete responsibility for this great undertaking, we are powerless to prevent it. I do hope, however, that in the consideration of this matter to-day serious attention will be given to the proposals made by the President, and that we shall leave out of it as much partisanship as possible in the hope that

in the end we shall do that which is best for our common country.

I sincerely hope this resolution will not be adopted, in which event the recommendations made by the President will become effective within the next few days. Any other course will result in long and unnecessary delay, if not complete failure, to bring about the economies deserved and demanded by the American people. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I very fully agree with the sentiment suggested by the gentleman from Indiana [Mr. PURNELL] that the consideration of this resolution should, as far as possible, be stripped of all partisan political considerations; but I venture to make the prediction now that the gentleman from Indiana was expressing a vain hope, because I think it requires no very fertile imagination to conceive that the barrage will soon start on the Republican side asserting that this is purely a political gesture upon the part of the Democratic membership of this House and that this resolution, in effect, is political in its origin and in its purposes.

There are a great many things, I frankly say to the gentleman from Indiana, that will come up for consideration the remainder of this session and in the session that is to be called from which politics ought to be eliminated. For a few days after our recent national election, along with all other Democrats, I engaged in a few days of partisan exultation over the results of the great Democratic victory, but it seems to me the time for political agitation is past and this Congress on both sides of the aisle is now face to face with the desperate emergency of undertaking to evolve legislation to retrieve the former prosperity of our country if not, indeed, to preserve the political institutions of America. Therefore I am very happy to hear the gentleman from Indiana say that he hoped this resolution would not be considered from the political angle.

Mr. Speaker, there is only one issue involved on this resolution and that is whether or not under the terms of the provisions of the economy act under which these consolidations are authorized this branch of Congress shall veto or approve the recommendations made by President Hoover.

The resolution brought in by the majority of the Committee on Expenditures has recommended that all of the recommendations en bloc made by the Executive shall, for the purposes of this Congress, be disapproved, and there might be some ground upon which to lodge the argument that this was a political proposition. It appears to me there are two or three cogent and logical reasons why the committee was justified in making this report. In the first place, it is evident that these recommendations were somewhat hurriedly prepared after they were undertaken since the resolution of last June, and I am reliably informed that a number of recommendations with reference to consolidation of departments and the transfers of activities were made without the representative of the President ever having conferred at all with the chiefs of the bureaus of many of the departments affected.

In the next place, the hearings before the committee disclosed that no practical economy whatever was guaranteed by the operation of these recommendations. But, Mr. Speaker, the larger, and what seems to me to be the controlling, reason why these consolidations should be deferred until the new administration comes in is this: There has been a rather belated effort to effectuate these consolidations. I am not charging now where the responsibility lies, I am merely discussing the present circumstances of the situation. A new President is to be inaugurated on the 4th of March. The platform of his party and the platform of the opposition party pledged an earnest and honest effort to achieve real economy and retrenchment by this method of consolidation and the cutting out of duplications in our executive departments.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield the gentleman from Alabama three additional minutes.

Mr. BANKHEAD. The Republican President is going out of power. The people of America by their mandate have placed the responsibility of executing this reform, if it shall prove a reform, in the hands of the incoming Executive, and upon a large view of the whole situation from a broad political aspect it seems to me that inasmuch as the incoming President is to be charged with the results of these efforts at consolidation, and they are to be effectuated by men under his control and direction, it seems to me to be a fair proposition that if he is to be held answerable for the results of the effort that all of the agencies and instrumentalities to achieve it should be placed in his hands. I do not think this is a narrow political consideration. In fact, Mr. Speaker, this is one of the most impressive things in this whole record.

When Mr. Roop, the direct personal representative of the Executive, was before the committee he was asked by the chairman of the committee if under all of these circumstances, such as I have just narrated, it would be unwise for the Congress at the present time to adopt these recommendations; in other words, if he did not think it would be the wiser course under all the circumstances to defer the ratification of these suggestions and leave them in the hands of the new administration to administer in all of its details. The personal representative of the President gave it as his personal opinion that that would be the wisest course for the Congress to pursue; and it was based on the good, solid, and sane consideration of a higher political element involved in this proposition. And so we came out with the resolution to vote down all of the recommendations in order that the new administration not only will have the opportunity but will be politically charged with the responsibility of undertaking this wholesale consolidation of our executive departments. I trust the resolution will be adopted. [Applause.]

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, for the first time during my limited experience in this House in connection with the Rules Committee, the majority have presented a resolution here and in opening the debate they did not have the courage to tell the House or the country the reason why they presented the rule at this time, or why anyone should support it.

I can say that I have no lack of desire nor unwillingness about telling the Members of the House and the people of the country why this rule should not be adopted or the resolution approved.

How is it that this resolution is here? This recommendation of the President of the United States comes as a specific direction from the Congress itself. The Democratic majority in this House voted for it. You asked the President of the United States to send these recommendations, and I take the same position in regard to this matter that I did last winter when the question was before the House of Representatives.

I maintain that the only way you will ever accomplish this result is by placing the responsibility on the threshold of the Chief Executive Officer, and you know yourselves that that is the only way that it will ever be accomplished. Everyone else knows it and you will not deny it.

The gentleman from Alabama [Mr. BANKHEAD] has given the only reason. He says it should be left over for the next President to make these recommendations. Is that a reason, or just politics? I say it is not only politics, but partisan politics. If there is anything in the record of the next President that shows he is peculiarly qualified for doing this individual work, I wish some one, in his own time, would tell me, tell the House, and tell the country. If, throughout his record as chief executive of the State of New York during the last four years he has ever separated from the pay roll one deserving Democrat, I want you to give me the name and the salary. With that record behind him, you want him to reorganize and consolidate departments in the Federal Government, with the idea of saving money.

The President of the United States has been an advocate of this for the last 12 years. He has made various and repeated recommendations to Congress along this line. He is a real student of the question and knows more about the actual workings of the individual departments than any other one man you can name.

You went before the country last fall and you promised you were going to do this very thing. You made more extravagant promises than we ever dared to make. I suppose the reason was you did not expect you would be called upon to fulfill them. Here is a step in the line of your own promises, and you are turning it down *carte blanche*, without any consideration whatever, and you are doing it for political reasons, and nothing else.

Mr. MAY. Will the gentleman yield?

Mr. SNELL. I will yield for a brief question.

Mr. MAY. If the President who issued this order consolidating these bureaus has been a student of this subject for the last 12 years, as the gentleman says, and if he knew all about why it should be done, can he explain why it was that he waited until within 60 days of the expiration of his 4-year term before taking any such action?

Mr. SNELL. He never had any such authority until last year, and he made his recommendations to Congress the first time he had an opportunity to do so; and you yourself voted to give such authority to him [applause], and now you want to turn it down without giving it a particle of consideration.

I do not say that I myself am in favor of every one of these things, but I am in favor of considering each one of these recommendations on its merits; and you do not dare to do that. I challenge you to even investigate his recommendations. I doubt if you have even read them.

Mr. MAY. If the gentleman will be temperate about the matter, and answer this question, I would like for him to do it: Does the gentleman think, as a matter of fact, that the Executive now in office can make such a sweeping order, in view of all the top-heavy difficulties in the various departments of government, and hand it over to a new administration, uncooked or half-baked, as successfully as a new administration can take charge of the matter and make the necessary changes?

Mr. SNELL. Yes; and I will tell the gentleman why. The President and his executive chiefs have had long years of experience along this very line. They know the work. They know the duplications. They know the commissions that no longer have excuse for existence. And the new man who takes charge of the Executive Office on March 4 has not had a particle of experience along this line, nor have the men whom he will appoint to assist him. Your partisan action here to-day will delay these needed economies another two years.

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. SNELL. No; the new men he will put in these various positions have not had any experience; and does the gentleman mean to tell me that they will be as well qualified to make these recommendations as some one who has had long experience and is going out of office and has no political irons in the fire?

Let me tell you something further.

Mr. MAY rose.

Mr. SNELL. No; I am not going to yield you all my time, because you would not give us very much time.

You people made a promise to the country, and at the first opportunity you have had to carry out some of your promises you are absolutely refusing, *carte blanche*; and in doing this, let me say to you, you are not only going against your political promises of last fall, you are going against every political current in this country at the present time. You are going against the wishes of the American people. The people believe that there are some real economies to be accomplished by bringing about this reorganization and doing away with duplication in executive departments, and

you are throwing a monkey wrench into the wheels of progress along this line by the action you are taking here to-day, and you are going against not only your own promises but you are going against the expressed will and desire of the American people, and you know it, and it is done purely for political purposes. I propose to put the burden where it belongs.

I propose to let the country know that the Democratic majority in the House by caucus action bound their Members to vote to delay and destroy the most definite proposal thus far before us to bring about economy in executive departments. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the gentleman from New York [Mr. SNELL] is unduly excited as to the activity of the Democratic Party and the incoming President. I wish to assure him and the country that it will be the aim of the Democratic Party to carry out, and it will carry out, every pledge and promise it has made to the American people. [Applause.]

The gentleman from New York stated that President Hoover has no political irons in the fire, which is amusing to all of those who have followed his activities since the election. Ever since the election he has been doing nothing but playing politics, and that is the reason he sent in this recommendation. Colonel Roop says it will not bring about any economy or prevent expenditure.

The gentleman from New York wanted to know why we brought the resolution out to-day. We brought it out for the purpose of showing that the recommendations of the President, if carried out, would not bring about any economy and would not be of any advantage to any of the departments.

The gentleman complains about the record of the incoming President as Governor of New York. Let me say that in the last election the people of New York by a majority of 1,000,000 have shown that they have confidence in him.

Now, I feel that if the President had been sincere in his efforts to economize and had the ability that the gentleman from Indiana [Mr. PURNELL] claims he has, he would have carried out long ago some of these consolidations and reforms for economy. As it is, he has had 12 years to do this and has accomplished nothing.

The truth is that ever since he has been a member of the Cabinet, an influential and powerful member of that body, and, for the last four years, the President, the expenditures of the Department of Commerce, as well as those of all other departments, have increased every year.

Where has he shown any ability or desire to economize, when to-day everyone must concede that the deficit under the mismanagement of the administration has been mounting sky-high?

I feel that the Democratic Party will bring about consolidation at the proper time with economy and efficiency. I know that the incoming President and the Democratic Party will eliminate all useless commissions, boards, and thousands of useless offices that have been created during the present Republican administration.

Now, as to President Hoover's doing large things. President Hoover has done large things. We never before witnessed a deficit of two or three billion dollars in a single year.

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I am opposed to this resolution primarily because it does not give the House a fair opportunity to consider one of the greatest problems before the country to-day. If you adopt the rule as presented, there is no opportunity for discrimination—you must reject or accept all of the recommendations. It becomes impossible, because of the rule, to accept the recommendations which give hope for greater economy in government.

Mark Twain once said:

Everybody talks about the weather but nobody does anything about it.

That pretty well defines the position we have taken for many years concerning the general acknowledged evil of high cost of government.

Both of the major political parties have deplored the duplication of governmental activities and the steady growth of what is known as bureaucracy. Every Member of Congress recognizes the Government in many instances is overmanned; everyone realizes there are numerous instances where several bureaus are doing the same work; every Member has gone on record as being in sympathy with the efforts to correct these evils and abuses. For years we have talked about the need of reform, but nothing has been done. Now, for the first time, we have a chance to make a real step forward. It may not be all that can and should be done. At least it is a start. The question we must ask is, Shall we, in a spirit of partisan politics, reject this promising forward step?

It is difficult to understand why the objections should come from the Democratic side of the House. Instead of being opposed it should be recognized as a generous contribution of an outgoing administration to an incoming administration. The burden of the responsibility for the regrouping of the Federal activities is assumed by President Hoover; the savings which will result from the consolidations and transfers will go to the credit of the administration of Mr. Roosevelt. Why should a Democrat object to this attractive picture?

Mr. McREYNOLDS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I can not yield now; I have not the time.

It has been represented as being unfair to Mr. Roosevelt to have the regrouping done just before he comes into power. There is no force to that contention. Mr. Roosevelt will neither be handicapped nor embarrassed. One stroke of his pen on March 5 would set aside any or all of these changes. He will have an overwhelming party majority in both Houses to sustain him. If these regroupings are working well he can retain them; if not, he has but to write a message to Congress, and the former status of the bureaus is resumed.

Objections have been confined to several of the consolidations. Because of these criticisms, it is not good judgment to reject all. The better procedure is to eliminate the few which are controversial. This can be done by a simple resolution of the House. Then, approve the others; and the foundation will have been laid for Mr. Roosevelt to continue his work.

The people of this country are looking anxiously to Congress for some sign of an appreciation of their expressed will to increase the efficiency and lessen the cost of government. Here is a good opportunity to show them we are sincere, and it should be embraced.

The Democratic Party in the last campaign promised the American people it would reduce the cost of government \$1,000,000,000. How this is to be done has never been definitely stated. It probably will be revealed in due time. Here, however, is a real contribution, and to delay for one or two years the overhauling of Government bureaus, a task which must eventually be done, is a mistake.

I trust, in the interest of real efficiency, in the interest of genuine economy, we will not resort to the customary subterfuge of delay, but will courageously face the issue and accept this preliminary move in a necessary reform.

This is not a subject which should fall in the realm of party politics. It is an outstanding issue which should be solved in a spirit of nonpartisanship. I hope the rule and the resolution will be defeated. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield eight minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I am opposed to the pending resolution, and, as a member of the Committee on Expenditures in the Executive Departments, have joined in the minority report. I am opposed because I am unwilling

to place myself in a position of supporting a resolution which, if adopted by the House, will in and of itself serve to veto each and every proposal of the President embodied in 11 Executive orders seeking economy and increased efficiency through reorganization of the executive agencies of the Government. The people of the country at this difficult time have a right to expect action, not procrastination or indefinite postponement.

The resolution before us must be acted upon as a whole. The question is whether the House will or will not impose a blanket veto on all the proposals which have been submitted. Under the rule brought in by the majority, there is no other question before the House. No amendment is possible. The resolution must be voted up or voted down. In my judgment it should be voted down. Then if there are items in the Executive orders which should be defeated or postponed, there is ample time after proper consideration to adopt a resolution appropriate to that end. No Senate action is required.

The 11 Executive orders submitted provide for the consolidation or grouping in whole or in part of some 58 executive agencies. They undertake to group these agencies according to major purpose, as directed by Congress in the economy act last June. They undertake to vest in the head of the proper executive unit the power, with the approval of the President, to put into effect the details of improved organization, of elimination, of overlap, and unnecessary expenditure. They constitute the first step, essential in any reorganization.

Sixty days were available for their consideration. Twenty-one days are still available. The Committee on Expenditures has given them consideration. It has considered them at hearings consuming portions of four mornings—at hearings at which, aside from Members of Congress, exactly two witnesses have been heard—at hearings at which substantial objection has been advanced to a few, and a few only, of the items embodied in the orders. Thereafter the hearings were closed and the resolution before us vetoing each and every item in all the Executive orders was reported by the majority members of the committee. The motion of the minority members to consider each proposal on its merits was defeated.

Various suggestions are made in the majority report as ostensible reasons for supporting the resolution before the House. It is asserted that the President has supplied the Congress little more than the names of the activities affected. I challenge this assertion. No less than 55 printed pages in explanation have been submitted with the Executive orders. It is suggested that legal questions may arise if the proposals become effective. I am not impressed by this suggestion. It is understood that the Department of Justice has given unofficial consideration to the legal aspects of the case. It is urged that the orders are defective in that the President attempts to pass on to subordinates the coordination of related activities. The method proposed in this instance is on all fours with that pursued in the consolidation of veterans' activities. The law providing for that consolidation gave the Administrator of Veterans' Affairs almost word for word the power objected to in this instance. It is urged that there is no showing of present economy in the proposals. It is true that no definite estimate of the economies to be realized is made. No accurate estimate, I am advised, was made in respect to the consolidation of veterans' affairs. Yet that consolidation resulted in an annual saving of about \$12,000,000. Here we are dealing with agencies in respect to which we appropriate annually hundreds of millions of dollars. It seems to me impossible to study the proposals submitted without concluding that they pave the way for definite and substantial economies.

The real basis for the resolution before the House is to be found in this, as in other instances, in the unwillingness of the majority to permit any action to be taken prior to the inauguration of the incoming President. Practical experience demonstrates the fallacy of this policy in this instance. Practical experience demonstrates clearly that the opportunity to initiate effective action will never be better than at

this time. Practical experience demonstrates that to defer that action is to place it in jeopardy. If the incoming administration is sincere in its desire for consolidation it should welcome the reforms suggested as a basis for thorough-going reorganization. If it is sincere in its desire to bring relief through reorganization to the taxpayers of the Nation at this difficult time, it should welcome action now, rather than at some indefinite date to be determined in the future.

The proposals of the President are made pursuant to the declared intention of Congress in the economy act "to group, coordinate, and consolidate executive and administrative agencies of the Government as nearly as may be according to major purpose." They are in accord with pledges embodied in the platforms of both major parties. I quote a single sentence from the platform of the Democratic Party, as follows:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 per cent in the cost of the Federal Government.

The opportunity for "immediate action" is at hand. The people of the country have a right to demand that action as a step in the direction of a balanced national Budget, long promised and long deferred. To adopt the resolution before the House is to postpone indefinitely the economies and increased efficiency which the Nation is in fact demanding.

Mr. Speaker, I submit that the pending resolution should be defeated or sent back to the Committee on Expenditures. There is ample time for that committee to consider each item in the Executive orders on its merits. There is ample time for that committee, if it be desirable to defeat or postpone any item or items, to report to the House such further resolution as may be appropriate to that end. There is no justification, in my judgment, for discarding as a whole the recommendations which the President has submitted to the Congress at this time. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. PURNELL. I yield the remaining time, which, I understand, is five minutes, to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I wish to say a word or two about the rule. During my membership in Congress there has not been so harsh a rule dealing with so important a question. The country demands economy. The country does not care whether that economy is brought about by President Hoover or by President-elect Roosevelt, but the country demands that economy at the first possible moment.

In the closing days of the last Congress authority was given to the President to effect consolidations, bring about elimination of useless commissions and bureaus, and reduce the cost of Government. The President had sought this authority in numerous messages. I was one of those who appealed on numerous occasions in the last session to the Democratic leadership to grant this authority. I said then—and I repeat now—that these consolidations and eliminations will never be made on the floor of the House, but that the authority must be given to an Executive with judgment and courage and with complete authority to act. President Hoover was authorized to effect these economies, but the Congress retained the power of veto.

The President has submitted to us a comprehensive program making many changes in the set-up in the departments.

These changes will be brought about and the taxpayers' money saved, and much assistance will be given in the balancing of the Budget if this resolution is not passed. The vote to be cast on the floor to-day is not the individual vote of each Member. The Democratic majority has made this a political issue to the extent that a party caucus has been held, and the Democratic membership is bound to vote as a unit to prevent the President's recommendations taking effect. This is an abominable procedure. We are not even permitted to read the resolution for amendment. We are not permitted to even read the recommendations of the President as to what changes should be made. We are just to

vote "yes" or "no" after two hours of talk. Of course, the debate can have no effect when the majority party has bound and tied its members so that, right or wrong, they must follow the leader, and the only benefit to come from this argument to-day is that the country may fully understand just how this thing is brought about.

There may be some proposals suggested by the President that do not meet with the approval of the majority of the House, yet I have no fear of contradiction when I say that the majority of the consolidations are not objectionable to the House; yet, forsooth, President Hoover might get some credit for the accomplishment. Our Democratic friends, for political reasons, delay these economies, which are bound to come, until the Democratic administration is in power.

I am sure that the country is already getting tired of the partisan flavor of every move of the majority leadership in the present House. We should vote down this rule; then the leadership should immediately bring in another rule permitting the reading of the President's recommendations, with the privilege on the part of the House to strike out anything objectionable to the House. In this way the good at least would be saved, and this would not interfere in any way with the President elect in making further improvements if he sees fit. It is interesting to note the attitude of the majority leaders who in the last Congress opposed giving any authority to the President, and the attitude of those same leaders who to-day are promising to give this same authority to the President elect. The country is in no mood to tolerate any such jockeying for political advantage at this time.

The merits of the President's recommendations are not an issue in the vote that is to follow. Rather it is a question of whether or not the merits will be given consideration by the House or the whole plan scrapped.

Members of the Expenditures Committee, which committee has given careful consideration to these reorganizations and consolidations, will explain fully what the President's proposals contemplate. However, under this rule, to explain is as far as they can go. We can talk but our hands are tied and we are prevented from acting. But for this gag rule we might pass wholesome legislation here to-day, and that it is a gag rule will not be denied by the gentleman from New York [Mr. O'CONNOR], of the Rules Committee, who will follow me.

A vote for this resolution is against economy and will delay economy for months, if not years; and I hope that the House will vote "no" on the rule, to the end that economy may be brought about now and not at some time in the future.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER. The gentleman from New York is recognized for 16 minutes.

Mr. O'CONNOR. Mr. Speaker, the reason I "violated all the rules of the Committee on Rules" in not opening the debate on this rule was that I might sit back and listen to the political sniping on the other side of the House, because it had been rumored around this hall and in the corridors that this matter was going to be approached on the Republican side entirely from a political viewpoint. As proof of that I see the Republicans have dragged in all of their cohorts from various parts of the country, some of whom are rarely in attendance, except when a political question is involved, and there will probably be as full attendance of the Republicans in this House to-day as we have had at this session.

The gentleman from Indiana [Mr. PURNELL] disputed the statement I made that this resolution was not "involved." I maintain that its only involvement is in politics on the Republican side of the House, and I submit in support of that statement the fact that this recommendation comes here at the close of a lame-duck administration, and I submit a question which you on the other side can answer for yourselves. If Mr. Hoover or a Republican had been elected

President to serve during the next four years would we now have before us a proposal for such a speedy consolidation of the departments of the Government? Politics?

Was it politics the other night when the Secretary of the Treasury spoke over a nation-wide hook-up about the immediate necessity for balancing the Budget, even in these closing hours of this session? He indicted us for not balancing the Budget when the Republican Party has unbalanced it to the tune of at least \$3,000,000,000 in four years? Was that politics?

Was it politics when the President this week sent in his Budget message adjuring us that we should immediately balance the Budget in the closing six weeks of this short session, when he and his administration had unbalanced it for four years and left us with a deficit of \$3,000,000,000? Politics? On which side is politics being played? The kind of politics is just the type of "the Greeks bearing gifts." That is what the Republican Party is doing now—sniping at us by trying to embarrass our party. They are trying to throw things into our laps and say, "Now, we are going to put you in a position before the country that will show you up as not answering the will of the American people," as somebody said here to-day. We are told by all the speakers on the other side that we have, sitting at the other end of Pennsylvania Avenue, the greatest engineer, the one and only man of the 123,000,000 people in our country who can do this job of consolidation of governmental agencies.

They tell us that if we do not accept his plan the country is gone and the departments will never be consolidated, because no one will ever be born competent to do it.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. In just a moment. That is just a repetition of what was often expressed on the hustings during the campaign, that the fate of our country depended solely upon the continuance in office of one man, named Hoover. Well, if such a situation ever existed in this Republic we ought to just fold up right now and go out of business. If the President of the United States has been spending all his valuable time from June 30, 1932, to December 9, 1932, as the greatest expert in America on consolidation and merging a comparatively few agencies of government, which compared to the rest of our troubles is minor, he has accomplished nothing of which to be proud. When our country is in a condition it has never faced before, with 11,000,000 people out of work looking for jobs, when the Budget is unbalanced by three or maybe four billions of dollars, when we have distress throughout the land, the President of the United States for five months has been sitting down, we are told, picking out this or that monument commission or Bureau of Plant Control and shuffling the cards so that tweedledum becomes tweedledee, at the same time he advises us, "I have made no estimate of the extent of the economies which will eventually result from the reorganization program." He does say that the total appropriations for these 58 agencies amount to \$700,000,000 a year, but he does not state that their reorganization will save one penny. Instead of trying to do something to relieve the country, something to restore employment, something to improve the condition of our currency, he has been sitting up there in the White House as an engineer working out a shuffling of the cards on this comparatively unimportant part of reducing Government expenses.

Nearly every opening speech on any subject in this House is prefaced by the expressed desire, accompanied with acrobatic gestures if not sincerity, that we should eliminate politics.

Well, on the 4th of March we shall have lost the one man indispensable to this country; our country is going to the bow-wows; we shall not be able to carry on without this one expert individual. That will be an irreparable loss to the country, but a greater gain will be that one man of genius who could eliminate politics in this body or any other governmental activity. Politics surely never has been eliminated under a Republican régime. So please do not prate about its elimination when you are on your death bed.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SNELL. I am here to say it is not going to be entirely eliminated in the future.

Mr. O'CONNOR. I have no doubt the gentleman is correct, but that threat does not frighten us. We shall meet you at Philippi.

Mr. SNELL. Now, I would like to ask the gentleman a serious question. In the original program adopted by the gentleman's party is an item at the head thereof to balance the Budget. Will the gentleman tell me one definite step that the majority of his party has taken to bring that about as an accomplished fact?

Mr. O'CONNOR. Oh, yes; yes, indeed.

Mr. SNELL. Well, name one thing.

Mr. O'CONNOR. The gentleman is well aware of the fact that the Democratic Committee on Appropriations is cutting appropriations way below the recommendations of the President. It cut his recommendation way down in the last session of Congress, and in this session it has done more to help balance the Budget by economies than the executive branch of the Government has ever done. [Applause.]

Mr. SNELL. The gentleman's party promised they were going to cut a billion dollars from the expenditures of the Government this year. That was the promise the gentleman's party made, but they have not taken a step toward it yet, and the gentleman knows it.

Mr. O'CONNOR. The gentleman does not state the fact. He is confused about years.

Mr. SNELL. Furthermore such a thing is not, of course, possible, and the gentleman knows it.

Mr. O'CONNOR. Nobody can claim we said we were going to save a billion dollars during the Seventy-second Congress, of which we are practically at the close.

Mr. BARTON. I suppose the leader on the Republican side is familiar with Mr. Hoover's speech in which he said he would save a billion or a billion and a half. I ask permission to extend in my remarks in the RECORD the statement of Mr. Hoover to that effect.

Mr. SNELL. I have no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. O'CONNOR. I yield.

Mr. BLANTON. I wanted to state to the gentleman from New York that when our chairman of the Committee on Appropriations brought in a real consolidation plan, a plan to consolidate the Army and the Navy into a department of national defense, something that would save \$100,000,000 annually, it was his administration that killed it.

Mr. SNELL. Mr. Speaker, will the gentleman yield again?

Mr. O'CONNOR. For a very brief question.

Mr. SNELL. I wish to reply to the gentleman from Texas. In support of the Democratic Economy Committee program you had more votes on the Republican side than you ever had on the Democratic side for every single item except the destroying of the national defense. [Applause.]

Mr. BLANTON. Yes; but it was your generals and admirals that killed the consolidation.

Mr. SNELL. No; we were for national defense and you people were against it and always have been.

Mr. O'CONNOR. I am also reminded of a matter that naturally would not come to my mind: For the first time a Democratic majority added at least \$150,000,000 to help balance the Budget when we passed the beer bill, which has always been opposed by the other side for over 12 years. [Applause.]

Now, let the country know that not even the Republicans support their own President in this proposed consolidation. Let the country know that some of the leading Members on that side of the House, chairmen of committees, appeared before the Committee on Expenditures and opposed the measure. There is not one man over there who agrees with another man as to any one of these 58 agencies being merged and consolidated. The proposal is not brought in here in good faith. It is just brought in here in an attempt

to embarrass the incoming Democratic administration. The highest authority in support of the correctness of what we are doing is Mr. Hoover's agent, Mr. Roop, who, in fact, wrote the plan, who frankly told the Committee on Expenditures that the matter of consolidation should be left to the new administration.

Mr. Speaker, if there were no politics in government it would be a drab and dull vocation. If there were not two sides to a political question it would be terribly uninteresting for anyone to participate in public life. If politics is involved in this matter, that is not necessarily harmful. On last November 8 the people of America, by 21,000,000 votes and by a majority of nearly 7,000,000 votes, decided the political question when they intrusted the destinies of the Nation for the next four years to the Democratic Party. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

Mr. PURNELL. Mr. Speaker, I demand the yeas and nays on ordering the previous question.

The yeas and nays were ordered.

The question was taken; and there were—yeas 198, nays 173, answered "present" 2, not voting 53, as follows:

[Roll No. 147]

YEAS—198

Allgood	Dickinson	Kennedy, Md.	Patman
Almon	Dickstein	Kennedy, N. Y.	Patterson
Arnold	Dies	Kerr	Pettengill
Auf der Heide	Dieterich	Kieberg	Polk
Ayres	Disney	Kniffin	Pou
Bankhead	Dominick	Kunz	Prall
Barton	Doughton	Kvale	Ragon
Beam	Douglas, Ariz.	LaGuardia	Rainey
Black	Doxey	Lamneck	Ramspeck
Bland	Drane	Lanham	Rankin
Blanton	Drewry	Lankford, Ga.	Reid, Ill.
Bloom	Driver	Larabee	Reilly
Boehne	Ellzey	Larsen	Rogers, N. H.
Boland	Eslick	Lea	Romjue
Boylan	Evans, Mont.	Lewis	Sabath
Briggs	Fernandez	Lichtenwalner	Sanders, Tex.
Browning	Flesinger	Lindsay	Sandlin
Brunner	Fitzpatrick	Loneragan	Schuetz
Buchanan	Flannagan	Lozier	Shallenberger
Bulwinkle	Flood	McClintic, Okla.	Shannon
Burch	Fuller	McCormack	Sirovich
Busby	Fulmer	McDuffie	Smith, Va.
Byrns	Gambrill	McKeown	Smith, W. Va.
Canfield	Gasque	McMillan	Somers, N. Y.
Cannon	Gavagan	McReynolds	Spence
Carden	Gilbert	McSwain	Steagall
Carley	Glover	Major	Stevenson
Cartwright	Goldsborough	Maloney	Sumners, Tex.
Cary	Granfield	Mansfield	Sutphin
Castellow	Greenwood	May	Swank
Celler	Gregory	Mead	Tarver
Chapman	Griffin	Miller	Taylor, Colo.
Chavez	Grissold	Milligan	Thomason
Clark, N. C.	Haines	Mitchell	Tierney
Cochran, Mo.	Hare	Mobley	Underwood
Cole, Md.	Harlan	Montague	Vinson, Ga.
Collier	Hart	Montet	Vinson, Ky.
Collins	Hastings	Moore, Ky.	Warren
Condon	Hill, Ala.	Morehead	West
Connery	Hill, Wash.	Morehead	Whittington
Cooper, Tenn.	Howard	Norton, Nebr.	Williams, Mo.
Corning	Huddleston	Norton, N. J.	Williams, Tex.
Cox	Jacobsen	O'Connor	Willson
Cross	Jeffers	Oliver, Ala.	Wingo
Crowe	Johnson, Mo.	Oliver, N. Y.	Wood, Ga.
Crump	Johnson, Tex.	Overton	Woodrum
Cullen	Jones	Palmisano	Wright
Davis, Tenn.	Keller	Parker, Ga.	Yon
Delaney	Kelly, Ill.	Parks	
DeRouen	Kemp	Parsons	

NAYS—173

Adkins	Bohn	Chindblom	Crowther
Aldrich	Boileau	Chipfield	Culkin
Allen	Boiton	Christgau	Curry
Amle	Bowman	Christopherson	Darrow
Andersen	Brand, Ohio	Clague	Davenport
Andrew, Mass.	Britten	Clancy	Davis, Pa.
Andrews, N. Y.	Brumm	Clarke, N. Y.	De Priest
Arentz	Burdick	Cochran, Pa.	Doutrich
Bacharach	Burtness	Cole, Iowa	Dowell
Bachmann	Cable	Colton	Dyer
Baldrige	Campbell, Iowa	Connolly	Eaton, Colo.
Barbour	Campbell, Pa.	Cooper, Ohio	Eaton, N. J.
Beedy	Carter, Calif.	Coyle	Englebright
Biddle	Cavichia	Crall	Erk

Estep	Jenkins	Niedringhaus	Sullivan, Pa.
Evans, Calif.	Johnson, S. Dak.	Nolan	Summers, Wash.
Finley	Kading	Parker, N. Y.	Swanson
Fish	Kahn	Partridge	Swick
Foss	Kelly, Pa.	Perkins	Swing
Frear	Ketcham	Pittenger	Taber
Free	Kinzer	Pratt, Harcourt J.	Taylor, Tenn.
French	Knutson	Purnell	Temple
Garber	Kopp	Ramseyer	Thatcher
Gibson	Kurtz	Ransley	Thurston
Gifford	Lambertson	Reed, N. Y.	Timberlake
Gilchrist	Lankford, Va.	Rich	Tinkham
Goss	Leavitt	Robinson	Treadway
Guyer	Lehlbach	Rogers, Mass.	Turpin
Hadley	Loofbourov	Sanders, N. Y.	Underhill
Hall, Ill.	Lovette	Schafer	Wason
Hall, N. Dak.	Luce	Schneider	Watson
Hancock, N. Y.	McClintock, Ohio	Seger	Weeks
Hardy	McFadden	Seiberling	Welch
Hartley	McGugin	Shott	White
Hess	Maas	Shreve	Wigglesworth
Hoch	Magrady	Sinclair	Williamson
Hogg, W. Va.	Mapes	Snell	Withrow
Holaday	Martin, Mass.	Snow	Wolcott
Hollister	Michener	Stafford	Wolfenden
Holmes	Millard	Stalker	Wood, Ind.
Hooper	Moore, Ohio	Stokes	Woodruff
Hope	Murphy	Strong, Kans.	
Hopkins	Nelson, Me.	Strong, Pa.	
Houston, Del.	Nelson, Wis.	Stull	

ANSWERED "PRESENT"—2

Haugen Hogg, Ind.

NOT VOTING—53

Abernethy	Golder	Johnson, Wash.	Simmons
Bacon	Goodwin	Lambeth	Smith, Idaho
Beck	Green	Ludlow	Sparks
Brand, Ga.	Hall, Miss.	McLeod	Stewart
Buckbee	Hancock, N. C.	Manlove	Sullivan, N. Y.
Carter, Wyo.	Hawley	Martin, Oreg.	Sweeney
Chase	Hornor	Mouser	Weaver
Cooke	Horr	Owen	Whitley
Crosser	Hull, Morton D.	Peavey	Wolverton
Douglass, Mass.	Hull, William E.	Person	Wyant
Fishburne	Igoe	Pratt, Ruth	Yates
Freeman	James	Rayburn	
Fulbright	Johnson, Ill.	Rudd	
Gillen	Johnson, Okla.	Selvig	

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Martin of Oregon (for) with Mrs. Ruth Pratt (against).
 Mr. Stewart (for) with Mr. Wolverton (against).
 Mr. Gillen (for) with Mr. Hogg of Indiana (against).
 Mr. Rudd (for) with Mr. Buckbee (against).
 Mr. Brand of Georgia (for) with Mr. Manlove (against).
 Mr. Hall of Mississippi (for) with Mr. Bacon (against).
 Mr. Hornor (for) with Mr. Johnson of Washington (against).
 Mr. Abernethy (for) with Mr. Wyant (against).
 Mr. Hancock of North Carolina (for) with Mr. James (against).
 Mr. Lambeth (for) with Mr. Selvig (against).
 Mr. Igoe (for) with Mr. Carter of Wyoming (against).
 Mr. Sullivan of New York (for) with Mr. Beck (against).
 Mr. Ludlow (for) with Mr. Golder (against).
 Mr. Fulbright (for) with Mr. Freeman (against).
 Mr. Green (for) with Mr. McLeod (against).
 Mr. Crosser (for) with Mr. Whitley (against).
 Mrs. Owen (for) with Mr. Yates (against).
 Mr. Douglass of Massachusetts (for) with Mr. Chase (against).
 Mr. Rayburn (for) with Mr. Mouser (against).
 Mr. Fishburne (for) with Mr. Horr (against).
 Mr. Johnson of Oklahoma (for) with Mr. Cooke (against).
 Mr. Weaver (for) with Mr. William E. Hull (against).
 Mr. Sweeney (for) with Mr. Smith of Idaho (against).

Mr. HOGG of Indiana. Mr. Speaker, my colleague the gentleman from Indiana, Mr. GILLEN, is in favor of this resolution. I have arranged a pair with him. I desire to withdraw my vote of "no" and answer "present."

Mr. HAUGEN. Mr. Speaker, I was not present when my name was called. I desire to be recorded as being present.

The result of the vote was announced as above recorded. The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. PURNELL. Mr. Speaker, I ask unanimous consent that all Members who spoke on the rule may have five legislative days in which to revise and extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

GROUPING, COORDINATING, AND CONSOLIDATING OF EXECUTIVE AND ADMINISTRATIVE AGENCIES OF GOVERNMENT

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House Resolution 334

Resolved, That pursuant to the provisions of section 407 of the legislative appropriation act for the fiscal year ending June 30, 1933, the several Executive orders grouping, coordinating, and consolidating certain executive and administrative agencies of the Government, as set forth in the message of the President to the Congress, dated December 9, 1932, and printed in House Document No. 493, Seventy-second Congress, second session, are hereby disapproved.

The report and minority views on the resolution are as follows:

[Report No. 1833, Seventy-second Congress, second session.]

EXECUTIVE ORDERS GROUPING, COORDINATING, AND CONSOLIDATING CERTAIN EXECUTIVE AND ADMINISTRATIVE AGENCIES OF THE GOVERNMENT

Mr. COCHRAN of Missouri, from the Committee on Expenditures in the Executive Departments, submitted the following report (to accompany H. Res. 334):

The Committee on Expenditures in the Executive Departments, to which was referred the House Resolution No. 334, having considered the same, report thereon, with the recommendation that it do pass.

On December 9, 1932, pursuant to provisions of the economy law, passed in the first session of the Seventy-second Congress, the President sent a message to the Congress, in which he made certain recommendations relative to grouping, coordinating, and consolidating executive and administrative agencies of the Government.

The committee held hearings, at which Col. J. Clawson Roop, Director of the Budget, was the first witness. Colonel Roop was invited to send to the committee any witness he desired to be heard in support of the President's message. Other than Mr. WILLIAMSON, of South Dakota, a member of the committee, no witnesses appeared before the committee in support of the proposed changes. No individual who requested to be heard was denied a hearing.

The hearings, covering 113 pages, have been printed and are available.

Colonel Roop said he was designated by the President to prepare information for the use of the President in determining what Executive orders he wished to issue under the provisions of the economy act. It would, therefore, be fair to state that Colonel Roop could be looked upon as being the representative of the President. He was a willing witness; explained in detail the suggestions advanced by the President but could not show the committee where any economy would result. He was confident a saving would result but could not show specifically where and how, but said it was practically impossible to determine the amount that could be saved. He expressed the opinion the savings would be large but would not be realized at the start.

At the conclusion of his testimony Colonel Roop, in reply to a question of the chairman of the committee, expressed his personal opinion that it would be unwise to make the proposed changes on the eve of the inauguration of a new President. This view, coming as it did from the Director of the Budget, the official who was designated by the President to prepare the information upon which the orders were based, naturally had great weight with members of the committee.

A number of Members of the House, some of whom are chairmen of important legislative committees, appeared in opposition to various proposed consolidations, some speaking for the entire committee, Democrats and Republicans, of which the witness was chairman.

The question of consolidating and coordinating the activities of the Government for the purpose of increasing efficiency and bringing about economy in administration has been a subject that has been considered by select committees of the Congress for over 40 years.

It can not be denied that whenever a suggestion is advanced for the elimination or consolidation of Government agencies but that opposition is immediately apparent from the outside, and a great deal of opposition develops from the personnel that will be affected. It was for this reason that the economy committee invited the President, in the economy act, to consolidate and coordinate the Government agencies, subject to the approval or disapproval of the Congress, but it should be continually borne in mind that the economies which the President feels will result from the orders, if they do result, are to be brought about by the personnel of the agencies who will be directly affected, if there be any curtailment of activities whatever. The President, in his orders, does not bring about the economies, but it is to be left to the personnel who will administer the laws to bring such results. Can it be expected that the personnel will economize at its own expense?

Since the passage of the economy act a new President has been elected who will be inaugurated on March 4, 1933. If either branch of the Congress does not nullify the Executive orders issued by the President, they will automatically become effective 61 days from date of submission to the Congress, which was De-

cember 9, 1932. This means that upon the eve of his inauguration 58 Government agencies would practically pass into the hands of new administrative officials who have little or no knowledge of the activities which would come under their control.

While it is apparent certain activities of the Government are not now most advantageously placed, and that better or more convenient administration, with ultimate economies, would be possible if related activities were brought together, there are serious matters involved in what is proposed by the President.

It is for remembering, however, that reorganization action and proposals by the President were invited by provisions appearing in the economy law of June 30, 1932, and that the recently submitted Executive orders are but his response to the invitation of the Congress. Realizing the possibility that what the President might propose would not meet the view of Congress, or that due to changed conditions or otherwise, it might be deemed wise to defer reorganization on any extensive basis to a more opportune time, it was wisely stipulated in the economy law that either branch of Congress might, by resolution passed within 60 days, nullify all or any part of such Executive orders.

Unfortunately, the President has supplied the Congress little more than the names of the numerous activities his several orders propose to change from one place to another. There are not stated reasons why it is believed the activities will function better or more economically in the place proposed than where now located. Many of the changes now proposed by the President have been proposed before, but the difficulty has always been, as now, to secure facts showing any advantages or present economy to be secured. Possibly there are advantages to be obtained, and perhaps ultimate economies, but they do not now appear.

The proposals seem to be made more with a hope that some benefit will result than on facts indicating, or even suggesting, the benefit.

In considering what action should be taken by Congress respecting the Executive orders there seemed first for consideration whether any action should be taken. If no action be taken, it will apparently be accepted that Congress has no objection thereto or to any part thereof, and an attempt will be made to effect the rearrangements enumerated. In such circumstances serious legal questions will immediately arise. There seems great force in the argument that there is no authority in the President—and none given him by Title IV of the economy law—to set aside, annul, or repeal a formal enactment of Congress. If this be true, and Congress takes no action, there will still be in full force and effect every law under which these numerous activities are now functioning—and in many instances they were even placed just where they are by law.

The next legal question arising involves whether the changes contemplated by the President's orders are within the authority given by the economy law or exceed such authority. The authority and the field for action were without limit. In at least one instance his orders clearly go beyond the limit fixed in the law. The field was specifically limited to agencies of the "executive branch," and yet one of his proposals attempts to interfere with work specifically given by law to an agency specially created to function independently of the executive branch and on behalf of Congress—the General Accounting Office. Even if it were permissible within the authority given—and it clearly is not—what is proposed in this regard would defeat the very purpose of existing law, as it would break down the means of obtaining a uniform accounting system throughout the Government by dividing the work between two agencies—the General Accounting Office, where matters relating to accounting belong, and the Bureau of the Budget—anything but an accounting agency.

Then, too, and notwithstanding section 406 of the economy law, the orders purport to transfer all functions of certain agencies created and operating pursuant to law to other agencies, yet the agencies so divested of duties will, of course, still exist. This will likely result in payment of salaries with no service to render therefor. An illustration is the United States Employees' Compensation Commission. This commission was created by law and is administering an enactment providing certain benefits for civil employees sustaining injury while rendering service. It is proposed that this commission's duties be divided between the Department of Labor and the Civil Service Commission, and this notwithstanding section 406 of the economy law, as follows:

"SEC. 406. Whenever, in carrying out the provisions of this title, the President concludes that any executive department or agency created by statute should be abolished and the functions thereof transferred to another executive department or agency or eliminated entirely the authority granted in this title shall not apply, and he shall report his conclusions to Congress, with such recommendations as he may deem proper."

There are several other instances where all of the statutory duties of an agency are proposed to be transferred to some other agency, and apparently to avoid the provisions of section 406 of the economy law it is proposed that the officials of the depleted agency act in an advisory capacity to the agency to which it is proposed the duties be transferred. Where officials thus relieved from actual duty are drawing substantial salaries, unless duly legislated out of office, the proposal will prove an expensive economy.

There are other legal complications, but perhaps enough has been stated to indicate that dangers and difficulties of a most serious nature exist. They must be fully considered and cleared away before anything in the nature of what is proposed by the President's orders may safely be permitted by Congress to become operative.

But even if there were no serious legal complications standing in the way of the orders, they, at least for the most part, appear fatally defective in that therein the President attempts to pass on to subordinates and for future accomplishment, if ever, the coordination and consolidation of related activities from which it was hoped economies might be derived. This was the important feature of the plan—to have worked out the details of the coordination and consolidation and submitted to Congress in Executive orders, that there might be determined therefrom whether approval should be given or withheld. How could Congress otherwise be advised? Congress has not only not been advised—it is not to be advised nor permitted any voice in the matter, if the orders become effective as issued. Such coordination or consolidation as there may be will be for approval by the President, under the terms of the Executive orders—not by Congress, as the economy law provided.

There is no present economy in what is proposed by the President. What is proposed is merely a rearrangement of present activities. The orders do not even purport to require discontinuance or even curtailment of existing activities so as to reduce present costs. True, they suggest that subordinates may work out and, with the approval of the President, adopt changes that it is hoped will permit economies—but when? And what assurance has Congress that subordinates will ever so function? They seldom do. It was the clear purpose of the economy law that claimed avenues to economy in operation should be made to appear, that they might be considered in determining whether proposed action should be approved or denied.

One thing is certain—the changes provided for in the Executive orders will cause present loss and expense—and this just at a time when rigid economy is essential—yes, imperative. It is to be observed that there are a large number of changes proposed, a shifting of present activities from one place to another, etc. To be even reasonably effective or to permit of any benefit there will likely be necessary an extensive and costly moving program with attendant loss of time, rearrangement of space not only to accommodate moved agencies but to accommodate existing agencies thereto, with possibly need for further expense to rent additional or more convenient space. This would likely involve a present expenditure of no small amount, and the attendant loss of time by officers and employees—with retard of official business—would be difficult to measure but would prove very real.

It is quite probable that some of the changes suggested by the President could be worked out so as to make possible better or more convenient administration and ultimate reduction in cost, but the facts have not been supplied from which to determine the changes that might prove beneficial. It is not suggested or intimated that details for coordination and consolidation of activities have even been worked out to ascertain that economies are possible. For Congress to attempt, within the limit of 60 days, to seek out the facts necessary to an exhaustive study of the innumerable authorized functions of these many activities, with a view to ascertaining what advantages and economies will result from the changes proposed, would be a useless undertaking, and in view of the fact that the work could only be superficially done, a dangerous undertaking and an unwarranted assumption of responsibility. There must not be authorized such confusion and loss of time, and the additional expense involved, without assurance that more than compensating benefits are assured—and in the present situation no benefits are assured—they are only hoped for.

What is needed at this moment is present economy—means to balance our Budget, to keep expenditures within income. So far as is involved the cost of operating the Government present reduction in any substantial amount can be accomplished only through curtailing activity.

It is believed that the pending Executive orders should not be permitted to become operative but should be regarded as recommendations made by the President for the assistance and the consideration of Congress; that they should form the basis for continued study of this difficult problem; that other suggestions be invited, and that from all such suggestions and recommendations there be worked out a reorganization program, following the general policy announced by Congress through the provisions of the economy law, with measures and supporting data, in such detail as will enable Congress to know what it is doing and to legislate in the light of the facts. It is therefore recommended that House Resolution 334 be passed, thus disapproving the Executive orders submitted to the Congress on December 9, 1932.

MINORITY VIEWS

For a quarter of a century there has been constant discussion of the necessity of reorganizing the Government departments with a view to eliminating bureaus that have become obsolete or that are no longer essential to the public welfare. There has been much talk of consolidation upon a functional basis so as to rid administration of duplication and overlapping of services and effort. There has been no end of declarations in party platforms in favor of consolidations, reorganizations, economy, and efficiency. Yet the efforts of Taft and of Harding to carry out the pledges of their party came to nothing because of the inertia of Congress. The recommendations for reorganization by various committees and joint committees of Congress have met the same fate and for the same reason.

It is notorious that the Government activities are overmanned and expensive in proportion to the worth-while services rendered.

There are too many subordinates who lack the power of decision and whose tentative findings and recommendations must be reviewed by one or more superiors whose reexamination is perfunctory and useless. This deplorable lack of responsibility not only causes delay and expense but is ruinous to morale and ambition. It is one reason why hat, coat, and gloves are on before the clock has struck for lunch or the close of the afternoon work period. Less employees, better pay, and added responsibility would not only be sound economy but result in better services.

On June 30, 1932, near the close of the first session of this Congress, the President, after many requests and much urging, was for the first time given sufficient authority to enable him to proceed with the reorganization program which he had long advocated. Now this, too, is to be made an Indian gift; and upon what pretext? Upon the merits of the President's Executive orders? No; but solely on the ground that the incoming President should have a free hand in reorganizing along such lines as he may deem expedient. Could anything more farcical and partisan be seriously advanced by intelligent men? Everybody knows that the incoming President can make such further modifications as he thinks wise. Then why this unseemly haste to vacate and set aside everything President Hoover has done?

The minority believe that the President's proposals should have been taken up separately and each considered on its merits. The action of the majority rejects everything in toto. The majority were bent on reporting the resolution disapproving the President's reorganization program and permitted a scant hour in executive session for discussion by members of the committee. The hearings had been closed by the majority in respect to Executive orders involving no less than 58 executive agencies after the examination of exactly two witnesses, who are not Members of Congress.

Can anyone doubt that the consolidation of the public-works activities, now scattered through 12 different departments and establishments, would result in substantial economies; or that bringing the merchant-marine services, now distributed through 7 departments, under one head would be greatly to the advantage of shipping and the public purse; or that the public health would be better conserved and safeguarded by merging the various agencies now dealing with the subject in the Public Health Service; or that the gathering together of the several land-utilization agencies in one bureau would be in the public interest?

The advantages to be gained by these transfers and consolidations, both in the matter of economy and of service to the public, are self-evident.

The proposed transfers and consolidations on a functional basis are by no means new. They have been advocated for years, and it is certain that if the Executive orders in question are vacated the incoming President will have to reissue them in substantially the same form if any worth-while reorganization is to be accomplished.

We are firmly of the opinion, especially in view of the condition of the Treasury and the imperative necessity of immediate drastic reduction in Government expenditures, that the President's Executive orders should be allowed to stand, except as to any part thereof which to the committee would appear unwise after due consideration.

From every part of the land there is an insistent demand for reduced overhead. People are demanding that nonessential activities be cut out; that there shall be an end of duplication and overlapping; and that Government expenditures shall be reduced to the absolute minimum consistent with the efficient maintenance of indispensable services.

The President elect and Democratic leaders in both the House and the Senate are using every effort to avoid a special session. This means that if the President's reorganization program is upset, nothing at all can be accomplished during the next 12 months. The dire necessity for economy by consolidations and the curtailment of personnel will go by the boards with every prospect of little or nothing being done should the new régime get settled in the existing set-up. The President elect should welcome the reforms instituted by President Hoover as a basis for the thorough reorganization of the entire Government structure. As matters now stand, he can proceed with the internal reorganization without let or hindrance from Congress. It will offer him the greatest opportunity that has ever come to any President in this connection.

If any consideration whatever is to be given to the pleading of the American taxpayer, to party pledges, or to the relieving of the intolerable load now carried by the people, this resolution must be rejected by this House.

WILLIAM WILLIAMSON.
DON B. COLTON.
RICHARD B. WIGGLESWORTH.
JOHN B. HOLLISTER.

VIEWS OF MR. SCHAFER

I am opposed to the majority report and agree with most of the minority report. The committee should have considered each separate consolidation of the President's program on its merits as provided in the substitute motion offered by the minority. I believe that many of the President's recommendations should have been approved by the committee and would have resulted in more efficiency and a great saving to the now overburdened taxpayers' Treasury.

JOHN C. SCHAFER.

STATUTORY AUTHORITY FOR DISAPPROVAL OF EXECUTIVE ORDERS

For the information of Members the provisions of the legislative appropriation act for the fiscal year ending June 30, 1933, authorizing the disapproval of Executive orders reorganizing executive departments, are herewith set forth:

"SEC. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be transmitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall sooner approve of such Executive order or orders by concurrent resolution, in which case said order or orders shall become effective as of the date of the adoption of the resolution: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission, such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special session: *Provided further*, That if either branch of Congress within such 60 days shall pass a resolution disapproving of such Executive order, or any part thereof, such Executive order shall become null and void to the extent of such disapproval: *Provided further*, That in order to expedite the merging of certain activities, the President is authorized and requested to proceed, without the application of this section, with setting up consolidations of the following governmental activities: Public Health (except that the provisions hereof shall not apply to hospitals now under the jurisdiction of the Veterans' Administration), Personnel Administration, Education (except the Board of Vocational Education shall not be abolished), and Mexican Water and Boundary Commission, and to merge such activities, except those of a purely military nature, of the War and Navy Departments as, in his judgment, may be common to both and where the consolidation thereof in either one of the departments will effect economies in Federal expenditures, except that this section shall not apply to the United States Employees' Compensation Commission."

The SPEAKER. The gentleman from Missouri [Mr. COCHRAN] is recognized for one hour and the gentleman from South Dakota [Mr. WILLIAMSON] for one hour.

Mr. COCHRAN of Missouri. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, proceeding under the provisions of the economy act passed June 30, 1932, the President asks the Congress to approve the mere shifting of 58 Government agencies without submitting any supporting data showing where a dollar will be saved the taxpayers.

The people of this country are interested now not in who will administer the laws, but in how they can be administered at less expense to the Treasury.

I am most serious when I say I feel that the President is capable of doing a better job than what he proposes in his 11 Executive orders issued December 9, 1932. It is evident to me that they were hastily conceived after the President had received the information gathered by the Director of the Budget, because I know the orders were submitted to the Congress within 48 hours after the data were placed in his hands.

True, he has long entertained certain convictions upon the subject of consolidations, but I can not bring myself to the point where I can feel that the deliberate judgment was given to the subject that such a tremendous turnover deserves.

A careful analysis must ultimately bring the conclusion that the Congress would be stupid, to say the least, if it permitted the recommendations to become effective.

I repeat, the committee was furnished with no information upon which anyone could base the slightest prediction of any economies.

The motive back of the action of the Economy Committee in extending the invitation to the President to group, consolidate, and coordinate executive and administrative agencies was to bring about economies in administration. Section 401 of the economy act reads as follows:

SEC. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

(a) To group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purpose;

(b) To reduce the number of such agencies by consolidating those having similar functions under a single head;

(c) To eliminate overlapping and duplication of effort; and

(d) To segregate regulatory agencies and functions from those of an administrative and executive character.

The President, in his message, said:

I have made no estimate of the extent of the economies which will eventually result from this reorganization program. The total appropriations for the present fiscal year to these agencies are approximately \$700,000,000.

He said the results could only be worked out by the executive officers placed in charge of the different divisions. He pointed out economies had resulted through the consolidation of veterans' activities and enforcement activities. No reduction in appropriations is shown in the total allotted to the prohibition unit. The Administrator of Veterans' Affairs claims a saving of approximately \$12,000,000, but that can not be checked because Congress has, by the enactment of laws, added to the duties of the administrator, and millions to the appropriation since his office was created.

Admitting that some savings might result, the President, in my opinion, advances one change which if allowed to stand would cost the taxpayers of this country untold millions of dollars. I refer to the transfer of rivers and harbor and flood-control work from the Army Engineers to the division of public works under an Assistant Secretary of the Interior. Protests from citizens and civic organizations throughout the country have been filed in opposition to this recommendation. Four-fifths of the membership of the House oppose this move; and while the Republican side will vote against my resolution, you are praying it will pass. Like good soldiers you are standing behind the President, but you set aside your own good judgment in doing so.

I will comment but briefly on some of the other suggestions. The President places the National Park Service in a division with education and health. Would it not have been better to have grouped the Forest Service, with its forest reservations which are used for recreation, with the National Park Service and added the Forestry Division of the Indian Service, the Bureau of Fisheries, and the Biological Survey, as well as the care of national monuments and national cemeteries?

The General Land Office is in a division of land utilization in the Department of Agriculture. Its representative before the committee expressed the opinion that the utilization of the public domain for agricultural purposes was more important than the adjudication of applications for oil and gas leases, coal mining permits, and so forth. I do not share the opinion. The General Land Office and the Geological Survey belong together. The President separates them. Read the statements in the hearings of leading Republicans who oppose this set-up; then listen to them vote.

The Hydrographic Office of the Navy Department is an integral part of the Navy—an important link in our national defense—many confidential charts repose there. The President would transfer this important office to the Coast and Geodetic Survey. The recommendation would have been a good one, and would result in economies if reversed. Every Republican on the Naval Affairs Committee opposes this move, but they, too, will oppose my resolution.

The President recommends that the Shipping Board and Emergency Fleet Corporation be placed in a merchant marine division in the Department of Commerce. Members of the House who have handled all the legislation affecting the Shipping Board say that this board, if left alone, can liquidate the Fleet Corporation in a year's time. Senator BINGHAM says:

Make the transfer and you will add \$1,000,000 additional for the first year of operation.

The President would place in the Coast Guard a military organization, the border patrol. Do you think it would be advisable to have a military patrol on the Canadian border?

To the Bureau of the Budget the President would delegate certain functions now performed by the General Accounting Office. I am of the opinion that the economy act did not give the President the power to invade this office, which is an agency of the Congress. The Bureau of Efficiency is also transferred to the Budget Director. There could be no objection to this suggestion if the President would abolish the

Office of the Coordinator, created by Executive order, now connected with the Bureau of the Budget, and doing the identical work the Bureau of Efficiency was created to do. The pay roll of the Army and Navy officers and civilian employees transferred to the coordinator amounts to nearly \$300,000 a year. Here is where a real saving can be made.

The Advisory Committee on Aeronautics is placed in the Bureau of Standards. Read, if you please, the protest in the supplement to the hearings filed by this board of outstanding scientists, headed by Professor Ames, of Johns Hopkins University, and Col. Charles Lindbergh, who give their services free to this great scientific institution. They explain why such a move might possibly destroy the usefulness of the most outstanding organization of its kind in the world.

It is the abolition of Government agencies that will bring about savings. What does Mr. Hoover abolish? After recommending the transfer of the Employees' Compensation Commission—part to the Department of Labor and part to the Civil Service Commission, he asks Congress to abolish the commission. That is all! Time after time in his recommendations he designates boards and commissions as advisors to the new administrative official whom he would have take over the activity. Why, in one instance he transfers the Arlington Memorial Bridge Commission to an Assistant Secretary of the Interior and says the commission is to serve in an advisory capacity. Among the members of the commission to serve in an advisory capacity to an Assistant Secretary of the Interior are: The President, who is the chairman; the Vice President; and the Speaker of the House.

Mr. Speaker, better efficiency in administration—a reduction in the cost of administration. That is economy. Who dares say the President's message contains any language that explains where increased efficiency will result or where a saving can be brought about through his recommendations? It is not there.

The orders of the President should be disapproved. They can be made the basis for further study.

Mr. Hoover has had nearly four years in which to reorganize the Government. What the Congress wanted was specific recommendations where savings will result, where useless boards and bureaus could be abolished. We did not get them.

I have confidence in the incoming President to effect economies through reorganization. I am willing to vote him the power to do it if that be necessary.

It would be most unfair to President-elect Roosevelt to ask him to assume command of a government when two weeks prior to his inauguration 58 Government agencies have been placed in the hands of new administrative officials who have had no previous knowledge of the work of those agencies. It could result in nothing but confusion.

Again I say, the purpose of delegating the power to the President was to effect economies. The President failed to send us this information. His Director of the Budget, Colonel Roop, could give your committee no specific information as to savings. Furthermore, Colonel Roop expressed his personal opinion that it would be unwise to make the changes the President proposes on the eve of the inauguration of a new President. While he has been criticized by the Republican leader for his frank expression I commend him for having the courage to speak his convictions. Confident that he was speaking for the best interests of the Government, I propose to follow his advice.

Concluding, let me say that those who feel the passage of my resolution will permanently postpone reorganization are entertaining a false hope. I predict the incoming administration will do the job to the satisfaction of the American people. [Applause.]

Mr. WILLIAMSON. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. DAVENPORT].

Mr. DAVENPORT. Mr. Speaker, we are not dealing in this debate in reality with the subject matter of the President's reorganization plan. As a matter of fact, in my opinion, much of the plan is probably very excellent, some

of it should have careful scrutiny, and from certain points, for one, I would broadly dissent. For example, I agree with the chairman of the committee, Mr. COCHRAN of Missouri, about the Army engineers, and I hope the Congress of the United States, in any reorganization plan which it may finally adopt, will conserve in the construction of public works the traditional integrity and ability of the Army engineers. I mean by that that the integrity and skill of the Army engineers shall be the responsible authority in the construction of the more important public works, as at present. I do not mean that the Secretary of the Interior or anybody else shall make use of the Army engineers only when he sees fit. There are Secretaries of the Interior and Secretaries of the Interior, but there is only one line of heredity of integrity and ability in the Army engineer. To refer only to one Chief of Engineers now deceased, I have sat upon a committee of this House when it seemed to me that the testimony and the vision of Edgar Jadwin were saving the Government of the United States literally millions of dollars every day he testified. So I am not speaking as a partisan defender in toto of the President's plan.

But the President has not had a square deal; his plan has not had a square deal; the House Committee on Expenditures in the Executive Departments has not had a square deal since December, 1931, in the consideration of most of its suggestions for the reorganization of the departments of the National Government.

I have served on a number of committees of this House. I have never served on one which had finer ability or more serious purpose than the Committee on Expenditures in Executive Departments. They are an astonishingly fine group of men. And they had from the beginning of these discussions on reorganization which began a year ago the very best intention to do their work well. What happened to them I have never seen happen before in the case of any committee upon which I have served. What has happened to this committee, which was set up to reorganize the executive departments in order to reduce the expenditures of government, has been that a potent political influence, from within the House and not from without, seemed always to be at work to cut the ground from under the committee itself when critical or important phases of reorganization were being considered. As I look back upon what the committee has failed to do during the past year, it seems to me that it has failed because it has been hamstrung at every turn by small political considerations which did not originate in the committee itself.

There is no better illustration that I know of this than the attempt that was made in the so-called Byrns bill arbitrarily to consolidate the Departments of the Army and the Navy, with wild assertions of the possibility of saving \$100,000,000 every year in the process. I can recall the vociferous declarations of the various sponsors of the bill and the flaming headlines in the metropolitan press when the bill failed, to the effect that the House of Representatives had refused to save one hundred millions to the taxpayers. I have always rejoiced that the Committee on Expenditures, neither on the Republican nor the Democratic side, ever was swept off its feet by this political maneuver. It was necessary to go over its head and to wreck the morale of the regular committee of the House in order that the bill might reach the floor of the House, where it properly failed of passage. As a matter of fact, outside of certain preliminary circumstantial testimony which was put in the RECORD by the gentleman from South Dakota [Mr. WILLIAMSON] there was not the slightest evidence of the saving of one hundred millions or any other sum. There were political stump speeches offered as testimony but no evidence.

The process of consolidation of the Departments of the Army and the Navy was good political stuff for the approaching campaign, but the consideration of it never reached the point where it had the slightest significance for the welfare of the country or the economy of government.

The President of the United States for years has been cognizant of the need for governmental reorganization. As Secretary of Commerce he has expressed his views before

committees of this House. He has requested in his messages authority from Congress to begin the work. Not until the 30th of June last did Congress listen. Then it grudgingly gave him authority to present a plan to Congress for partial reorganization through transfers and new groupings. It deliberately withheld from him full authority to do a thorough job.

Nevertheless, in spite of the arduous labors of the recent campaign, he saw that the task was creditably performed and kept it within his own supervision. Within a few days after the opening of this session of Congress the President's report was laid upon the table of the House and referred to the Committee on Executive Expenditures. And then the process of political hamstringing went on afresh. The report was worthy of immediate and full consideration. Request was made that the Executive orders should be taken up separately, as was entirely possible under the law, the value of each order determined, the value of each item determined, so that a report might be made to the House wherein the plan was right and wherein the plan was wrong, so that valuable time might not be lost in the work of economy and reorganization. Again invisible political cold steel cut the nerve of initiative and nothing of importance was done about it. No earnest attempt was made beyond the perfunctory presence of the Director of the Budget and a few committee chairmen upon a few mooted points. It was evident that no study worth while was contemplated by the authoritative rulers of this House. Now we are asked to toss the President's plan into the discard. It is the end of a political trail, which can be traced from December, 1931, to January, 1933. I have had long experience in working with party opponents, both here and elsewhere, and a happy one. It is the only committee I have ever served on which has been, apparently, the constant subject of political interference. And the record of futility has been at every step the product of that interference.

It is not even good opposition politics thus to flout the President's plan. If there had been even since December 1932, the will to make a start of real value, it could have been done. Much could now be done before the 9th of February by the able Committee on Executive Expenditures of this House if there were any wish on the part of the leadership of the House that it should be done. But there is none.

I say it is not even good politics. An outgoing administration can face the enormous personal and political pressure involved in this venture of economy and reorganization far better than an incoming administration; and the incoming administration, God knows, will have enough on its hands. The thing to do is to defeat this resolution and charge the appropriate committee to go on with its work, study the Executive orders, report to Congress what should be done now, what should be further considered, and what should not pass. It would be found that much of the President's plan would be exceedingly helpful to the country at once, not simply in cutting expenditures, but especially in order to get more service and better service for the money of the taxpayer. There is not the slightest danger of such action redounding to the inordinate credit of the outgoing President. A start can be made now upon the basis of what the President has done and then adequate power can be bestowed by an overwhelmingly Democratic Congress upon the man who is to succeed to the Presidency. Unfortunately, there appears to be no prospect that the matter before us will be settled in a large or generous way. This resolution is only the end of a political trail. [Applause on Republican side.]

Mr. COCHRAN of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. RAINEY].

Mr. RAINEY. Mr. Speaker, at the outset I call the attention of gentlemen on both sides of this aisle to what I conceive to be a joker in the President's message announcing his consolidation of Government agencies. Before I call attention to this interesting feature of this message, first let me ask whether any man in this House wants to dispense with the General Accounting Office? I think on both sides of the aisle we appreciate the economies effected by Colonel

Roop, and I am wondering how many millions of dollars of economies have been effected by the Accounting Office under his direction. Next I want gentlemen who have the President's message convenient to turn to page 7 of that message. Under the head "Bureau of the Budget" he announces that he has transferred and consolidated the following activities in the Bureau of the Budget. In other words, he has turned over to the Budget Bureau the activities enumerated in classes 1, 2, and 3, to wit, all the functions and duties and powers of the Bureau of Efficiency, and that is section 3. In section 2 all the powers and duties now exercised by the General Accounting Office, which relate to the administration and examination of officers' accounts, and so forth, and then in section 1 to the various departments and several independent establishments he turns over all of the powers and duties remaining of the General Accounting Office except one, and there is only one power remaining to be exercised by the Comptroller General under this consolidation, and that is the power to prescribe the form and manner in which accounts shall be submitted to his office for audit. That is all that he has left. My friend the gentleman from Wisconsin [Mr. SCHAFER], in his cross-examination of Colonel Roop, brought out some of these things, which, perhaps, he has forgotten now. That is the only thing that is left in the General Accounting Office—the mere power of determining the form and manner in which these accounts should be submitted.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. RAINEY. Yes.

Mr. WILLIAMSON. The gentleman does not mean to tell the House that the matter of accounting is taken away from that office—the auditing that is done now.

Mr. RAINEY. I am telling the House what is in it. The gentleman can construe it to suit himself. That is all that is left.

Mr. WILLIAMSON. Oh, no. The only thing it takes away from the Accounting Office is the power to designate the manner of keeping accounts in the various departments. It retains its present function of auditing.

Mr. RAINEY. It takes away all of it except what is enumerated in the last three lines of section 1 of the particular paragraph I am discussing. There is no question about it.

May I call attention to this remarkable situation, that the only reason for submitting this authority to the Executive was, and I quote now from section 401, "to further reduce expenditures and increase efficiency"?

That is all. That is the declared policy of the Congress in submitting the proposition. It comes back to us with an admission by the President himself that he has not any idea as to what economies are effected, and he is not going to take any chances on estimating the extent of the economies; but he submits it with a frank statement that no such investigation has been made and that he does not know what the economies will be. The Director of the Budget, who is responsible for these orders, and his associates, admit in the hearings that it is merely speculative as to the amount of the economies that will be accomplished by these consolidations.

Now, this act is not repealed, if you merely decline to accept the suggestions of the outgoing President as to what shall be done. It continues in force, and Colonel Roop, who has given more attention to this subject than anybody else, made a statement on page 25 of the hearings in response to questions submitted to him by the chairman of the committee. He was asked:

Do you not think it would be advisable for the one who is going to be in control of the Government to make the recommendations, rather than to take the views of the outgoing President?

Colonel Roop said:

I can give you my personal answer on that.

The chairman said:

I should like to have it if you care to advance it.

Colonel Roop said:

Personally I think that would be wise.

Now why all this criticism of the attitude taken by the Democrats of this House against these alleged economies, the Director of the Budget himself who effected the drafting of these Executive orders said it would be better to turn it over to the incoming administration.

I have not much time, but may I briefly call attention to some things that have happened in this consolidation. This consolidation turns over to the Interior Department 24 offices, bureaus, and commissions. The department now has 14 offices, boards, and commissions. It will have 38.

Mr. PARSONS. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. PARSONS. Do these consolidations abolish any bureaus, boards, or commissions?

Mr. RAINEY. Not one single one, although he says he has abolished some of them. Not one, unless it is the General Accounting Office, and it leaves nothing of that except the mere clerical duty of determining upon forms.

Mr. MAPES. Will the gentleman yield?

Mr. RAINEY. If the gentleman will guarantee me some more time from that side, I will yield.

Mr. MAPES. I might help the gentleman to answer some of these questions.

Mr. RAINEY. No; I do not need the gentleman's help. I will answer questions myself. When I have the floor I always welcome them, and I always answer them.

Now, he turns over to the Commerce Department 10 offices, and the Department of Commerce already has 14 offices. That makes 24 in all. In other words, of the 58 changes in bureaus and offices, 34 of them go to the Interior Department and the Department of Commerce.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. COCHRAN of Missouri. Mr. Speaker, I yield five additional minutes to the gentleman from Illinois.

Mr. RAINEY. May I call attention to the fact that the Department of Commerce is a Hoover organization, loaded from top to bottom with Hoover men? May I call attention to the fact that the Interior Department is a Wilbur organization, loaded from top to bottom with Hoover men? Wilbur and Hoover were in Stanford University at the same time. One of them graduated in 1895, and the other in 1896. They both now live at Stanford University, as they announce in their biographies in the Congressional Directory. They both propose to return to Stanford University. The Damon and Pythias friendship existing between those two gentlemen through the years has been interesting, intense, and pathetic. I want to say to you lame-duck Republicans who are going out—and you are going out on account of the failure of the Hoover administration—do you want to try to come back two years or four years from now? If you do, you do not want the leadership of a man who has led you to the enormous defeat sustained by your party. [Applause.]

By this consolidation, adding more than half the number of changes to these two departments, he builds up an organization of 40 or 50 highly paid bureau chiefs with hundreds of employees, and those two departments from now on are Hoover departments. Talk about a man who is going to leave Washington, who has no further aspirations, who is not going back to England where his interests are! He is going to stay here, having built up here in the National Capital at least two departments, if this thing goes through, devoted to him and his interests, the nucleus of a campaign for his reelection to the Presidency four years from now.

This is so full of absurd things that I want to call your attention to something that is particularly absurd. The administration of national cemeteries has been turned over from the War Department to the Interior Department. That is one of the things they have turned over. I could continue through the entire list and call attention to some equally absurd and dangerous things. Why does the War Department have jurisdiction and control of national cemeteries? It has had it always. When a soldier dies they must find out at once and get information from the War Depart-

ment whether he has an honorable discharge or not. If this change is made, after they get that information it must be conveyed to the Department of the Interior, to find out whether he can be buried in a national cemetery or not. It may be easy to do that in this particular cemetery here at Arlington, but how about a cemetery a thousand miles from here? Did any of you gentlemen ever address a letter to the office of the Adjutant General and receive an answer in less than three days? It was record time if you did. Did you ever address a letter to any bureau in the Interior Department and get an answer in three days? It was record time if you did. With a cemetery a thousand miles from here it will take a couple of days for that letter to get here and a couple of days to get the information back again from the War Department, and a couple of days to get it to the Interior Department and 1 or 2 days to get the answer, and that soldier will be dead 8 or 10 days before he can be buried.

All the way through, if I had the time, and I am transgressing now upon the time of others, I could call attention to absurd propositions like that in this reorganization.

May I call attention to the fact before I conclude, although there are many other things to which I would like to call attention, that this consolidation plan turns over to the Commerce Department and places under the Bureau of Mines the Federal Oil Conservation Board. It is interesting to note in this connection that the Federal Oil Conservation Board is composed of the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, and the Secretary of Commerce, all serving without additional compensation. How the duties of this board can be turned over to the Commerce Department with a view to effecting economies is a proposition which I am not able to solve. The board now receives no additional salary. The functions they exercise are to be executed by others, and those who discharge them will have to be paid for their services.

The man who is most responsible for these Executive orders is Colonel Roop, of the Bureau of the Budget. He has evidently carried out as far as he can the suggestions of the President, and he has said that the reorganization contemplated by the act we are considering now should be left to the incoming President rather than to the outgoing President; and we think he is right about it, and for that reason we propose to defeat if we can now, the absurd reorganization proposition suggested by the outgoing President. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMSON. Mr. Speaker, I yield seven minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, it is certainly most distressing, with the country in the condition it is to-day, knowing the long-deferred hopes of the people of this country, doubtful of what they may expect in the future, to hear a speech like the one just made and others that have been made on this bill to-day by the gentlemen on the majority side. This is the first opportunity in many years, the first real possibility, to get some kind of economy through consolidations, groupings, and reorganizations that we all know have to come eventually, that we all know everybody wants and that both parties have asked for. And yet at this very first opportunity to secure real results the reform is opposed by caucus methods and by an entirely party vote.

The gentlemen of the majority, instead of discussing the principles behind the bill, have made a political attack so vigorous and partisan that one would think the last campaign had never been held but was just about to begin, instead of being entirely behind us with the eyes of the country now looking toward us hopefully for the future. It is most disheartening that we can not consider this bill entirely on its merits and discuss it from that point of view.

There is no one here who could write a bill of this kind which would be absolutely satisfactory to every Member of this House and every Member of the other body. No one can do that. No committee of Congress can ever do it. It is physically impossible. We have not the time, even if there were not the conflicting interests and the opposition which always rises against such an effort. We know that

the only way real strides can be made toward simplification of administrative government is by leaving it to the Executive to initiate and develop, for he alone has the best knowledge of how the result may be achieved and can therefore present a comprehensive program without outside interference.

Whatever may be said of the President of the United States we know he probably has a better knowledge of the Government and of all the departments of the Government, the boards, the commissions, the groups, and the agencies that operate under it, than any leader in national affairs for many years. We all know, no matter what attitude we may take on this bill, that any kind of consolidation, grouping, or elimination which will eventually come will have to follow more or less the lines of these suggestions of the President. We know that Governor Roosevelt, if given this same power when he comes into office, will be compelled to follow the same basic structure which the President plans to erect. We have here an opportunity to make a beginning, a beginning which one would think would be welcomed by the incoming President, as it would relieve him of the same labor and yet start his administration off with a simplification, which will tend to greater efficiency and accompanying economy.

To hear the gentlemen talk it would be thought we were faced with the alternative of approving the President's Executive orders in full or of turning them down absolutely. This is not the alternative, and the gentlemen know it. Let us turn to the economy bill, where, after stating how the President could offer his suggestions and how they should be submitted to Congress, there is this further provision:

Provided, That if either branch of Congress within 60 days shall pass a resolution disapproving of such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval.

Now, there are some 58 different items involved in these Executive orders. I have heard no gentleman discuss on the floor more than 7 or 8 of them. Suppose these 7 or 8 are objected to. I say that if any material group of this House objects to any particular one of these items let us drop it out and consider it later. Let us give it further consideration in the Expenditures Committee where the matter can be fully discussed and pondered under proper auspices. But when we are all trying for economy, when we all know this is one of the methods by which it has to come, and when probably 50 of the 58 items in these Executive orders are perfectly satisfactory, why in the name of heaven do we have to knock out the whole program just because, forsooth, they are offered by a President who is not going to be in the White House more than a few weeks? We all know that a new President who hopes to achieve anything along these lines will have to follow almost exactly the same program.

Now, I plead with you, this is no time to let politics enter into the picture. We should honestly try to do what we have pledged ourselves to do. We should honestly try to advance this Government along the lines of economy, and help raise the staggering burden of taxation which now afflicts our people. This is one way it can be done. We have an opportunity to make a beginning. It will be a disheartening step backward if we destroy at the source this whole economy attempt before it has even started. We have an opportunity and we shall never be able to justify ourselves if we neglect it. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. WILLIAMSON. Mr. Speaker, I yield 10 minutes to the gentleman from Utah [Mr. COLTON].

Mr. COLTON. Mr. Speaker and gentlemen, during my 12 years in Congress I have never seen anything more amazing than the situation now presented by this resolution.

During that time the Republican Presidents on various occasions have suggested to Congress the necessity of consolidating the bureaus of the Government. President Hoover particularly has been emphatic on the proposition. While the gentleman from South Dakota [Mr. WILLIAMSON] was the chairman of this committee we did bring in several bills

for the consolidation of bureaus, some of which became laws. Will anyone dispute that there has been resultant economy from these consolidations? From the consolidation of the veterans' activities there has been great economy in administration effected; but since the Democrats have been in control of this House this Committee on Expenditures in Executive Departments has not had the privilege of considering one measure upon the floor of the House.

Mr. BLANTON. Will the gentleman yield for one question on the Veterans' Administration?

Mr. COLTON. I will yield in a moment.

Mr. BLANTON. I want to put the gentleman right on that matter. In the Veterans' Administration when you caused a consolidation it practically doubled the salary of all the chiefs of the various activities in that bureau under new names.

Mr. COLTON. The gentleman exaggerates. Even if that were true as to the increase in certain salaries, there has been, nevertheless, great economy, as I shall show in a moment or two. I have never even heard it questioned before that the consolidation of the veterans' activities has resulted in more efficiency and greater economy. I thought everybody accepted that conclusion.

Mr. BLANTON. The gentleman should study that.

Mr. COLTON. I have studied it, and I know whereof I speak. In proof of my statements I refer the gentleman and the House to three memoranda submitted by Gen. Frank T. Hines, Administrator of Veterans' Affairs, having to do with advantages and economies resulting since the establishment of the Veterans' Administration, authorized by Public, No. 536, Seventy-first Congress, July 3, 1930, which memoranda are of public record. I quote only the summary, which is as follows:

SUMMARY

The net immediate savings in the cost of administration since consolidation and coincident reorganization are best represented by \$2,500,000, the estimate of the amount of money which will be returned to the Treasury from administrative appropriations at the expiration of the current fiscal year, not including the \$1,300,000 remaining unexpended in the appropriation made for the administration of the loan provisions of the adjusted compensation act.

Immediate and annual savings which have been possible since consolidation and through reorganization and simplification of procedure and more effective utilization of personnel, but which, to a large extent, have been obscured and offset by additional expenditures to meet increased work loads, are as follows:

1. More effective utilization of personnel, all stations.....	\$5,912,750
2. Expansion of existing homes and hospitals in lieu of new units.....	1,230,000
3. Economies effected through combination of field activities.....	1,200,000
4. Acquisition of increased facilities through internal rearrangement rather than through new construction:	
(A) Existing facilities.....	2,431,200
(B) New facilities.....	750,000
5. Architectural services.....	170,550
6. Standardization of quarters, subsistence, and laundry.....	116,000
7. Miscellaneous technical economies.....	73,100
8. Use of surplus supplies by homes.....	70,700

Total..... 11,954,300

Prospective future economies which may at this time be measured are represented by the savings in construction to the year 1950 of soldiers' home units at existing plants, whether homes or hospitals, and in the savings in operating utilities on the basis of proposed plans, assuming that Congress will authorize construction of additional home facilities at the rate of estimated increased needs. This total figure approximates \$50,000,000 and is spread over a period of 18 years.

One other thing should not be forgotten. The responsibility of this consolidation is ours just as much as it is that of the President. When we passed the act in June, 1932, we wrote right into the act that the order of consolidation must be transmitted to Congress while in session.

We asked him, in effect, to group and consolidate Government activities, and within four days after Congress convened—within four days, mind you, after he could have transmitted such an order—he did so. Then what followed? We held a few hearings, perfunctory, largely, but they were

hearings. At the close of those hearings, within an hour, this resolution had been reported out by the committee, disapproving the orders of the President.

Mr. DOWELL. Will the gentleman yield for a question?

Mr. COLTON. Just a brief question.

Mr. DOWELL. Is it not true that your committee made no investigation whatever of the various bureaus here transferred?

Mr. COLTON. Yes; that is true with one or two exceptions. The report of the majority says that no witness was refused a hearing. Well, it was our duty to invite witnesses. The minority tried to carry out that duty. It was our duty to go out and get the witnesses and make the investigation. They were available here. If the Director of the Budget could not give the information that the committee desired we could have called other witnesses. Some members of the committee tried to do that very thing. You of the majority simply put up a smoke screen, and now because the President has not proven his case you are going to reject it in toto. He was not requested to submit proof that his consolidations would result in economies. He was requested only to make consolidations and transfers. This he did.

In the very nature of things the Chief Executive could not have pointed out individual and specific savings. This was not done at the time we consolidated the veterans' activities. It could not be done in the very nature of things, but the savings are patent upon the face of the orders of consolidation.

While I do not wish to take up individual instances, will any man who has given any study to the question say that if you consolidate all the land activities of the Government you will not effect a saving? If you study the work of the Forest Service, the General Land Office, and the Geological Survey, you can not help but come to the conclusion that there is duplication of work. Certainly consolidation would result in a saving of public money. I would have gone farther than the President went in his order. I would have taken all of the public-land activities and put them under one bureau in the Interior Department, at least I would have put them in one department. The Forest Service, the Geological Survey, the General Land Office, and, perhaps, the Reclamation Service, all relate to public-land activities, and there is no reason in the world why they should not be consolidated in one or the other department, and any man who has given any study to the question at all knows this would result in great economies to the Government.

A few Members of Congress appeared against six or seven of these consolidations. I say to the gentlemen on the other side, if they are asking the President to make out his case, by inference at least, you must admit that the other 50 have been justified. No one appeared in opposition to about 50 consolidations and transfers.

Is there any sane reason that can be given why this committee could not have taken up these recommendations one by one and judge each one on its merits? If any of them were not desirable, they could have been rejected. There was no reason why, by resolution, we could not have rejected a few and accepted those that upon their face are, apparently, saving propositions for the Government and would result in more efficiency.

Why did we not go out and get some testimony? The responsibility, Mr. Speaker, was upon your committee just as well as upon the executive department of this Government.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. COLTON. For a brief question; yes.

Mr. COCHRAN of Missouri. The gentleman is a member of the committee. Did the gentleman make a motion or suggest the name of anyone to call?

Mr. COLTON. There were other members of the committee who did, and I seconded the motion.

Mr. COCHRAN of Missouri. Did the gentleman himself make such a motion?

Mr. COLTON. I joined the gentleman from Wisconsin [Mr. SCHAFER] in his motion that it be done.

Mr. SCHAFER. I suggested additional witnesses, and a Democratic member of the committee moved to adjourn the committee hearing, and they ran out.

Mr. COLTON. And so did I suggest where we could find proof of the benefit of these orders.

Ah, talk about politics; this movement was doomed from the beginning; but before I mention that, may I refer to what the gentleman from Illinois has said.

The gentleman spoke of 24 activities, as I remember it, being transferred to the Department of the Interior. We have checked this carefully and there are only four bureaus that will be taken to the Interior Department if this consolidation goes through. There may be other minor agencies, but only four bureaus. One of them is the American Printing House for the Blind, in the Treasury Department. Why should it be there? Naturally, it should go to the Interior Department. The Public Health Service is now under the Treasury Department. Why? The Division of Vital Statistics would be transferred from the Bureau of the Census in the Commerce Department, and national parks, monuments, and cemeteries, now in the War Department, would be transferred. Evidently, the Executive believed that while part of the parks are in the Interior Department, they all ought to be in that department. If this committee had found they should go to the War Department, well and good, but they should be in one department. I think, on second consideration, no one will seriously contend that the Park Service of this Government should be under the War Department; and if a large part of the Park Service is in the Interior Department, why not put it all in that department?

I submit that no fair or just reason has been advanced, except political reasons, for turning down the recommendations of the President. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Speaker, I yield seven minutes to the gentleman from Louisiana [Mr. OVERTON].

Mr. OVERTON. Mr. Speaker, the Committee on Expenditures in Executive Departments has been subjected during the course of this debate to rather unfair criticism. It has been contended that since December, 1931, up to the present hour, this committee has been unable to discharge its functions and its duties because it has been unduly swayed by certain political influences.

I have been a member of that committee since December, 1931. That was the time I entered this House and became a member of the committee. I am sure I am correct in making the statement, that in so far as the leadership of this House is concerned, in so far as the leadership of this Congress is concerned, it has not attempted unduly to interfere with the activity of that committee.

Mr. COLTON. Will the gentleman yield?

Mr. OVERTON. I will.

Mr. COLTON. I want to say to the gentleman that I referred to the passage of the bill through the House. The committee has functioned, but the result of the work of the committee has not been seen in legislation.

Mr. OVERTON. I was not referring to the statement of the gentleman from Utah. I will come to that later.

Mr. BLANTON. Will the gentleman yield?

Mr. OVERTON. Yes.

Mr. BLANTON. Who is calculated to have better knowledge and judgment in reference to proper consolidations, our youngster friend from Ohio [Mr. HOLLISTER], who has served a part of one term, or the gentleman from Illinois [Mr. RAINEY], who has served here 28 years, and the gentleman from Tennessee [Mr. BYRNS], who has served here continuously 24 years?

Mr. OVERTON. Well, that question answers itself.

Now, from the beginning of December, 1931, the committee has considered this question of grouping, coordinating, and consolidating executive and administrative agencies of the Government. They summoned, as they had a right to expect, those who would give them information and knowledge. They summoned before them and had to testify as

witnesses the heads of the various departments of the present administration.

I call upon members of the committee to bear me out in the statement that the Committee on Expenditures did not receive one scintilla of aid or information or suggestion as to how any consolidation, grouping, or coordination could be effected in the Government of the United States under the present Republican administration. [Applause.]

When the present program of coordination was suggested by the President and referred to this committee, the proponents of the plan appeared before the committee and testified. As far as I know, there was not the name of a single witness presented to that committee without opportunity afforded to such witness to testify.

What, my colleagues, did the committee find? There was submitted to them a plan by the President of the United States. That plan of coordination was given to Congress, presented in answer to a declaration that in order "to reduce expenditures and increase efficiency in Government" there should be a program of coordination and elimination.

The President in his message frankly stated that he had made no estimate as to what economies would be effected by the plan he himself had formulated. Therefore, the President gave no information to the committee.

Then we called upon Colonel Roop, Director of the Budget, to supply us with information which the President of the United States had failed to give us. What did Colonel Roop say on the witness stand? He testified that in so far as economies were concerned it was impractical for him to make an estimate, and that whether this plan would result in economy or would result in a loss to the Government was any man's guess, and the guess of one man was just as good as the guess of another man.

There did not appear before that committee one single witness who has pointed out by direct reference or by illustration or by example one single dime that would be saved to the Federal Treasury by the execution and adoption of this plan. There has not been a single witness who has pointed out to the committee one ounce of efficiency that will be added to the Government in its various activities by the adoption of that plan. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMSON. Mr. Speaker, I yield 20 minutes to the gentleman from Michigan [Mr. MAPES]. [Applause.]

Mr. MAPES. Mr. Speaker, one listening to the proponents of this resolution and to the criticisms of the President or of the Executive orders which he has transmitted to Congress, might draw the conclusion that the President in sending them here had committed some heinous crime instead of simply performing the duties imposed upon him by Congress in the economy act. The majority of the committee, although opposed to the Executive orders, frankly says in its report that—

It is for remembering, however, that reorganization action and proposals by the President were invited by provisions appearing in the economy law of June 30, 1932, and that the recently submitted Executive orders are but his response to the invitation of the Congress.

And still the distinguished and picturesque majority leader gets up on the floor and says that this message to Congress for the reorganization of the executive departments is submitted as a nucleus for Mr. Hoover's reelection campaign to the Presidency in 1936. Did anyone ever hear anything more ridiculous? It would be amusing, if it were not so serious, to contemplate the attempts of the Democratic majority in the House and the Democrats at the other end of the Capitol, to blame the Republicans in Congress for the failure of this Congress to pass any constructive legislation when the Democrats themselves have been unable to agree among themselves. It is not because of any lack of cooperation on the part of Republicans that this Congress has not passed any effective legislation up to date, but it is because the Democratic majority of this House and in the country has not been able to agree, has not been able to get together unitedly behind any legislation.

Mr. Speaker, I never could get very much excited in talking to a packed jury, or to anyone when I knew his mind was set. That is the situation we are in here to-day in the consideration of this resolution. For the first and only time during this session, the Democrats had a caucus on this resolution and made it such a party matter that they bound every Democrat in this House to vote for it, and then they get up here and say that they are not actuated by political motives in their opposition to the President's plan of reorganization. Is this the most important piece of legislation that the Democratic majority has had to deal with at this session of Congress? Apparently so, because it is the only subject upon which that majority has seen fit to hold a caucus and to bind its members. We know before we start that the resolution is going to pass. The Democrats are in the majority and they have bound themselves to vote for it. During my service in Congress I do not remember a rule ever being reported before by the Committee on Rules that did not provide for the reading of the legislation made in order by the rule, that did not permit any consideration under the 5-minute rule, that did not permit an amendment to be offered or debated, but simply allowed two hours of talk, and provided that at the end of that time the House should proceed to vote the legislation up or down without the crossing of a "t" or the dotting of an "i" as this resolution provides. The word "consider" is in this rule. I am not much of a stickler over the precise use of language, but I do not like to see it abused too much. I submit that the word "consider" has no place in the rule. As applied in the rule it is a misnomer.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. COCHRAN of Missouri. The gentleman must admit that it is air-tight.

Mr. MAPES. It certainly is air-tight. There is no dispute about that. I have seen the distinguished Speaker of this House when he was the leader of the minority party walk up and down this well protesting, as only he could protest, against the gag rules reported by the Republican majority, but I have never seen anything before approaching this rule which was reported by a Democratic-controlled committee. I realize that the present Speaker has little influence over the Democratic majority of this House, and that he probably can not control the situation, but I should think he would feel like appealing to his fellow Democrats not to spoil his record for liberality in the rules during the next few weeks before he goes to the other end of the Capitol. It is absurd to think that anyone can adequately discuss the subject of the reorganization of the departments of the Federal Government in the limited time allowed under this rule. One ought not even to attempt it.

There is nothing new in these Executive orders of the President. There are 11 of them. They deal with 58 different activities of the Government. Every student of reorganization of the Government for 20 years has reached the same conclusion as the President about what ought to be done with most of them. There are some about which students have disagreed, but on most of them they have been in accord, and because the President has boldly and fearlessly suggested some proposals upon which there is a disagreement is no reason why the Congress should reject them all.

The sane and sensible thing to do would be to consider the resolution under a rule which would permit of amendment, adopt those which ought to be adopted, which everyone concedes ought to be adopted, and if we saw fit to reject some of them, well and good. We have been 20 years getting to this point, to the point of getting a concrete proposal for a general reorganization of the executive departments. If the Democratic majority wants to take the responsibility for toppling over the work and ambitions of people for 20 years—or 40 years, as the majority report says—let them assume the burden of doing so. If they do,

it may be another 20 years before we reach this same point again.

Mr. KELLER. Will the gentleman yield?

Mr. MAPES. I am sorry, but I have not the time. Some ingenious writer in an article which I read a short time ago said that the sure way to tell what a political party was going to do after winning an election was to read the platform upon which it went before the people and then conclude that it was going to do the exact opposite. Such action as is here proposed gives some continuance to that rather cynical conclusion. The Democrats declared in their platform in 1932:

We advocate an immediate, drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance.

But that was before the election. Now they oppose consolidation. They oppose a consolidation program which has been practically agreed upon by every student of the question for over 20 years. They say the message of the President was sent to Congress after being hastily prepared. I call their attention to the statement of the then Secretary of Commerce, Mr. Hoover, in 1924 before the Joint Committee on Reorganization of the Executive Departments in which he said:

That the following bureaus and functions of Government should be transferred to a new division of merchant marine, with an under secretary of the merchant marine.

Then he names 13 different activities that should be referred to this division of merchant marine. As I now recall it, there is not a single activity that is referred to this bureau in the Executive order dealing with that matter now before us that he did not say should be referred to it eight years ago. Yet it is stated that this Executive order was hastily prepared and not well thought out.

I hold no brief for the President of the United States; I do not need to; but I happen to know something about his record as far as reorganization of the executive departments is concerned. As far as I am personally concerned, I long since ceased to get excited over a reorganization program.

I am afraid a great many people are going to be disappointed over the economies which they think may be brought about by a reorganization, and I do not think all the existing activities of the Government are wasteful or bad, but there are certain regroupings of activities and certain consolidations which everybody agrees ought to be made, and with those consolidations certain economies ought to be effected. The present President of the United States has been a leader for 12 years in advocating such consolidations. How men can take the floor of this House and criticize his record in that respect is more than I can understand, if they are at all familiar with that record; and if they are not familiar with it, then, of course, they should not assume to criticize it. I have on other occasions reviewed that record of the President in detail, and I have not the time now to repeat what I have said before on that subject. It can not be successfully attacked, as far as that is concerned.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. MAPES. Yes. I yield.

Mr. COCHRAN of Missouri. The gentleman was a member of the joint committee on the reorganization of the executive departments in 1924, was he not?

Mr. MAPES. Yes.

Mr. COCHRAN of Missouri. The gentleman has a thorough knowledge of the workings of the Government; no one in the House is better informed on the subject.

Mr. MAPES. No. I doubt whether anyone can claim to have a thorough knowledge of the workings of the entire Government. It is too big and too complex.

Mr. COCHRAN of Missouri. The gentleman has introduced many bills with reference to reorganization. The committee files are full of them. Has the gentleman at any time ever written a letter to the committee or made a personal request for a hearing before the committee on any of his bills?

Mr. MAPES. Oh, what is the use of a Republican writing a letter to a Democratic chairman of a committee of this Congress [applause], when all legislation such as this is passed upon impulse or prejudice, without any consideration on the merits except the politics of it?

Mr. COCHRAN of Missouri. No Member of Congress has ever asked for a hearing before the committee of which I am chairman that he did not get it. There are no exceptions.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. WHITTINGTON. What bureaus and what commissions were abolished as a result of the report of the commission of which the gentleman was a member?

Mr. MAPES. Not any directly or immediately, although many of its recommendations have since been adopted piecemeal. The report of that committee met with the same opposition that the Executive orders of the President are meeting with now, the combined opposition of everyone who has some pet, either a pet activity or a pet employee, in the different bureaus that are to be consolidated, and which he thinks may be affected by any consolidation, and the combined opposition is enough to defeat any general reorganization. As the President recently said:

No proposed change is so unimportant that it is not bitterly opposed by some one. In the aggregate, these directors of vested habits surround Congress with a confusing fog of opposition. Meantime the inchoate voice of the public gets nowhere but to swear at bureaucracy.

Now, you gentlemen propose to tear down this work of 20 years by the passage of this blanket resolution, and you propose to go over the same territory that has been gone over so many times before. Any student of the subject knows you must, in general, eventually reach the same conclusion as the President has reached as far as the activities which he proposes to consolidate in these 11 Executive orders are concerned.

Mr. GLOVER. Will the gentleman yield for a question?

Mr. MAPES. I yield.

Mr. GLOVER. When I first came to this House there was a majority of 104 on the Republican side, with a Republican Senate and the same President. I want to ask the gentleman why it was that in those days, when you had a right to bring in a bill under such a rule as this, if necessary, that you did not bring it in and try to consolidate something?

Mr. MAPES. Oh, if we could discuss this without bringing in partisanship, it would be a condition devoutly to be desired, but human nature is about the same. You can get a Democratic majority to agree to oppose the pending Executive orders but I venture this assertion, even with the vast majority which the Democrats will have in the next Congress and with the leadership of your incoming President, that you will find it difficult to agree to get behind any general reorganization worthy of the name.

Mr. GLOVER. Mr. Speaker, I ask the gentleman to answer my question. That is not an answer to my question.

Mr. MAPES. Oh, yes it is.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. CHINDBLOM. The gentlemen on the other side have said that this order should not go into effect now because a new administration is coming in, and that administration ought to have control of this matter. Last June when the Democratic majority of this House passed section 401 and succeeding sections of the economy act, and demanded that the President make this effort and make this report, we well remember how they gloated over the prospects of Democratic success. It was not because they were afraid of Democratic failure that they gave this duty to a Republican President, was it?

Mr. MAPES. Not at all. And they chided the President during the last campaign for his failure to make these consolidations when they could not go into effect until the expiration of 60 days after being submitted to Congress. Permit me to call attention to this fact: I have before me a copy of the bill which the Economy Committee reported in

the last session of Congress. Two members of that committee were the distinguished chairman of the Committee on Appropriations [Mr. BYRNS] and the distinguished gentleman from Alabama [Mr. McDUFFIE], both of whom are prominent candidates for the Speakership of the next Congress. What did they report from that committee? They reported a bill which contained a section directing the President to do almost identically what he has done in one of these Executive orders. That section was not carried in the economy act as finally passed, but they proposed by it to direct the President to do as follows:

The President is authorized by Executive order to transfer to the public-works administration and to consolidate and coordinate therein the whole or any part of all bureaus, agencies, offices, activities, and services, whether now existing in any executive department, independent establishment, or as an independent activity having to do or that are concerned with the architectural, engineering, surveying, design, drafting, construction, and/or purchasing activities of the Government relating to public works, and/or that are engaged in the making of plans, specifications, contracts, and/or the supervision of public construction—

And so forth.

They did except the Army engineers, but in the Executive order of the President creating this public-works department, are transferred, I think, 15 different activities. Just because he proposes to include the Army engineers is no reason for rejecting everything in it. When the gentleman from Alabama and the gentleman from Tennessee both recommended everything except the transfer of the Army engineers in the last Congress why not eliminate that one provision from the Executive order and let the rest of it go into effect.

Mr. KETCHAM. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. KETCHAM. As a practical matter, if we are ever going to have any effective reorganization work, is it not the viewpoint of the whole country that it should be undertaken in the closing days of one administration and not in the early days of a new administration? Will not our friends on the other side be faced with almost insurmountable difficulties if they undertake this thing?

Mr. MAPES. Of course they will. In that connection I would like to read from a recent editorial in the Washington Star substantiating what my colleague has said:

A few days ago the Democrats declared that on the eve of the inauguration of President Roosevelt and the incoming of a new administration it would not be wise to permit the reorganizing proposed by the retiring President, but that the whole matter should be turned over to Mr. Roosevelt. If the Congress can not indorse the reorganization plan of Mr. Hoover, which it is now complained is too mild, what may be expected from the Congress if Roosevelt should bring in a drastic plan?

And again this editorial states:

The wise and statesmanlike way of dealing with the question of reorganization would be to accept the Hoover plan and then to let Roosevelt go further and improve it if possible. The Democrats, however, prefer to ditch all Government reorganization at the present session of Congress. If they ditch it now, their action will not and can not be interpreted as auguring well for reorganization in the next Congress.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. SCHAFER. Is it not a fact that the Democratic-controlled Committee on Expenditures on April 4 reported H. R. 11011, to consolidate the public-works administration, and at about the same time reported the civil service consolidation bill? That was almost a year ago, and although there were very few votes against it in committee the Democratic majority in the House have not even brought it to the floor of the House for consideration.

Mr. MAPES. Oh, yes; they followed the recommendations of the President in that bill, but now they want to be sure that the President shall not get any credit for bringing about a consolidation at this particular time. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Speaker, I yield five minutes to the gentleman from Louisiana [Mr. WILSON].

Mr. WILSON. Mr. Speaker, it is to be regretted that there have been so many charges of party neglect on the

part of the Democratic House in respect to this resolution and the pending measure that is before us to-day.

It is admitted that reorganization and consolidation of the various departments have been under consideration for many years. When the Republicans had it in their power no action was taken in order to bring about economy or to bring about efficiency.

The purpose of the resolution adopted in the economy act had two elements in it; one was economy, the other was efficiency. If I had my way, I would put the word "efficiency" first in the administration of the affairs of the Government. I submit, as a fair and reasonable proposition, the only course we can take in a businesslike way is to disapprove these recommendations and take them up under the next administration. After all these years of controversy we received a report recommending, not so much eliminations, but transfers from one department to the other. There were no eliminations recommended. We asked the question and endeavored to secure the information as to whether or not the transfers suggested would establish the prime purpose of the economy act—that of efficiency in the administration of the affairs of Government—and we could get no answer of assurance whatever. I respectfully submit that when the responsibility is with the administration in power, and when it selects its expert officers to bring the information to Congress, it is only fair they should say in the report whether there will be increased efficiency in the affairs of government and a reduction of expenditures. I believe no member of our committee on either side will contend that the one who was appointed to formulate these recommendations should not say to the committee, in every instance, whether there was either economy or efficiency, and to what extent. When the committee asked for this information the answers were all indefinite.

I respectfully submit that if we have an expert go out for the purpose of bringing recommendations to Congress, when he makes his recommendations he should be able to point out where we should consolidate; what we will save; where we will coordinate; and where we will bring about efficiency and reduce costs. I do not believe any gentleman on either side of the aisle will claim that this was shown to our committee.

Now there are some recommendations in the message I am sure will bring about inefficiency and an increase in expenditures. I am opposed and have been opposed to the transfer of flood-control work, the river-and-harbor work, and those things that relate to national defense from the War Department to the Interior Department. The American people do not expect or desire that. So why transfer them from the War Department to the Interior Department, a department without experience in that work and without trained men for the work? Of course it is said this work might be kept under the Corps of Engineers of the Army, but we have no guaranty of that. I do not believe there are 10 men in the House of Representatives who would favor this transfer as provided in the message now under consideration. [Applause.]

[Here the gavel fell.]

Mr. COLTON. Mr. Speaker, I yield three minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Speaker, in three minutes I can only briefly scratch the surface of this question. I regret that partisan politics has entered into the consideration of this resolution.

The Democrats have had control of the Committee on Expenditures in the Executive Departments and the House of Representatives for two years. The functioning of the Committee on Expenditures was crucified by the policy of the Democratic leaders in this House when they established the Byrns Economy Committee and set that committee up to usurp the jurisdiction and powers and authority of the Committee on Expenditures, because the Byrns plan to consolidate the Army and the Navy was rejected by the Expenditures Committee after extensive hearings and careful consideration.

Why, Mr. Speaker, your Democrats have had control of the House, and the Committee on Expenditures, controlled by the Democrats, on April 4 favorably reported a bill to the House to consolidate public-works activities and on March 30 reported a bill to consolidate civil-service and other activities. Up to this very hour, after almost a year has elapsed, you have not made provisions to bring either of those measures to the floor of the House for consideration. Mr. Speaker, the Democratic Party certainly can not blame President Hoover for this failure.

This demagoguery is coming back to your party like a boomerang. You do not have a program. Your committee favorably reports out consolidations to save money and increase efficiency and you do not permit consideration of such consolidations by the House and try to pass the buck to the President of the United States.

I do not agree with every one of the President's orders. I intend to make a motion to recommit this resolution to the Committee on Expenditures and direct that committee to use a little judgment and to consider each Executive order effecting a consolidation on its individual merits and then report back to the House. There are plenty of good consolidations in the President's program against which you could not get a corporal's guard of votes in opposition on the floor of this House. Why not carry forward that part of the program and not pass the buck to President-elect Roosevelt? Save the taxpayers millions of dollars immediately, as you promised in the last campaign.

Perhaps to-morrow, when the press carries the news of the action of your Democratic leaders and party in the House to-day, a spokesman for President-elect Roosevelt will issue another statement; and you who have been fighting in the well of the House here to-day, baring your breasts to the enemy in behalf of this indefensible resolution and gag action, will turn about in disorderly retreat, as you have done with reference to your program to balance the Budget and pass your \$1,000,000,000 super sales tax monstrosity camouflaged in the clothes of the Roosevelt farm allotment relief bill. [Applause.]

Mr. COCHRAN of Missouri. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, it is hard to get the attention of the House with our ears still ringing with the bellowing of the bull. [Laughter.]

There is an old adage that the proof of the pudding is in the eating thereof. There was an opportunity in this Congress given last May to every Republican in it to effect economies by voting for a real consolidation, but our Republican brethren refused to consolidate.

I am for the abolishment of unnecessary bureaus. If there were a proposal before this House now to abolish any unnecessary bureau—and there is not—I would vote for it; I do not care where it came from or whether it was proposed by a Republican or Democrat. But President Hoover has never had an idea of his own with respect to Government affairs. He has referred everything to commissions to be decided for him. No Member here can show where one dollar will be saved by adopting President Hoover's proposals. When the question came before us last May from the Economy Committee of saving \$100,000,000, proposed by our friend from Tennessee, chairman of the Committee on Appropriations, who has been here 24 long years studying the question, we had a direct vote by roll call on the specific proposition of consolidating the War and Navy Departments, upon which every Member registered his stand.

Mr. COLTON. Will the gentleman yield?

Mr. BLANTON. Not now. I will yield to the gentleman in a moment.

Who was it who tried to get consolidation out of the bill? Who voted it out? Republicans. It was a retired general of the United States Army, still drawing a retired general's pay for life in addition to his salary as Congressman, who, in accord with the wishes of the respective Republican Secretaries of the War Department and the Navy Department, moved from this floor to strike that consolidation from the

bill. And who helped him strike it out? There were 150 Republicans from the other side of the aisle who voted for his motion and struck that out of the bill, and I want to call your attention to the fact that every single bellwether of your Republican organization here voted against that consolidation and killed it. Here they are. Seventy-one per cent of that vote against that consolidation was Republican. Here are your Republican bellwethers, who by their vote May 3, 1932, killed such proposed consolidation: BACHARACH; BACHMANN, the Republican whip; BACON; BARBOUR; BECK, your Republican wet expounder of the Constitution; BEEDY; BRITTEN; CHINDELOM; General CHIPERFIELD; CLARKE of New York, your watchman on the tower; CROWTHER, the tariff expert of the Republicans; DALLINGER; DARROW, your Republican steering-committee wizard; DE PRIEST; and our young friend the novice from Cincinnati, who spoke for the President's jumble a few minutes ago, a highly educated youngster who was first elected to Congress in November, 1931. He is a highly educated man, but you have to have something besides school education here in properly passing on governmental bureaus. He is serving part of his first term and yet he gets up here and assumes to criticize the judgment and stand of such old legislative war horses as HENRY RAINEY, who has studied these questions here for 28 years; and JOE BYRNS, who has carefully studied them for 24 years, and has been at the head of the Committee on Appropriations as its chairman, giving close study to all Government matters. Here are some of the balance of Republican bellwethers who voted May 3, 1932, against such same consolidation: SNELL, the Republican leader; FISH; FRENCH; General GOSS; HAUGEN; HAWLEY; JOHNSON of South Dakota; KAHN; LEAVITT; LEHLBACH; LUCE, the great parliamentarian from Massachusetts; MAPES; MICHENER, the present Republican strawboss; MOORE of Ohio; RAMSEYER; SCHAFER; SHREVE; SIMMONS; TEMPLE; TILSON; TIMBERLAKE; TINKHAM; TREADWAY; UNDERHILL; Governor YATES, and others I have not time to mention. This was roll call No. 66, May 3, 1932. Every mother's son of a bellwether in Republican leadership here voted against that consolidation. [Laughter and applause.]

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Speaker, I yield the gentleman two minutes more.

Mr. BLANTON. I may call your attention further to the fact that those of you who watch such things here know that the President had his Secretary of War and his Secretary of the Navy enter that fight as lobbyists and they helped to kill that consolidation. The President of the United States sent his personal secretary, Walter Newton, up here. We all like Walter. He has been nice to us down at the White House. Walter came up here and lobbied on this floor that day to help kill that consolidation.

Oh, the President comes in now at the end of his four years with a kind of death-bed repentance proposing alleged consolidations that we know are nothing but costly shiftings from one department to another, effecting no savings whatever, and we can not have much confidence in his last-moment proposals.

Mr. TABER and Mr. COLTON rose.

Mr. BLANTON. I promised to yield first to my friend from Utah.

Mr. COLTON. Does the gentleman realize that the Committee on Expenditures, with a Democratic majority, turned down the proposition to consolidate the Army and Navy because no evidence was produced showing any saving whatever?

Mr. BLANTON. Oh, I know that certain members of the Economy Committee happened not to attend the meeting, and that this retired major general who is also a Congressman dominated the committee, and by 1 vote prevented the committee from reporting the bill. I know that Chairman JOE BYRNS, of the Appropriations Committee, and other posted experts, assured us that such consolidation would save the Government \$100,000,000 annually and increase efficiency. I know that the Economy Committee

which was specially created to bring about economies in government, after careful study, brought that proposed consolidation before the House, and until the Army and Navy got their White House lobby to work, we passed the consolidation in the Committee of the Whole by the Members passing through the tellers; but when the Secretary of War and the Secretary of the Navy got through with us and the White House got in its work lobbying, overnight, on a roll call, they defeated us by Republican votes, and killed such consolidation. It was the Army and Navy Club in Washington, and the generalship on this floor of retired officers of high rank that defeated that consolidation.

The President of the United States could have made these same suggestions four years ago, if he had desired, but he has never made a suggestion yet proposing specific consolidations until he was going out of office.

[Here the gavel fell.]

Mr. COCHRAN of Missouri. I will say that we have only one more speech.

Mr. WILLIAMSON. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER pro tempore. The gentleman is recognized for 11 minutes.

Mr. WILLIAMSON. Mr. Speaker, I only regret that sufficient time was not given us to discuss the President's Executive orders upon their merits, but manifestly in the brief time allotted that is impossible.

Both the Republican and the Democratic Parties have for more than 30 years at nearly every one of their national conventions declared in favor of efficiency and economy in the administration of Government, and in many of these conventions they have declared in favor of reorganization. That was true of the Democratic convention in 1928, which pledged—

(a) Businesslike reorganization of the departments of the Government. (b) Elimination of duplication, waste, and overlapping.

The 1932 convention of the Democratic Party went on record as favoring—

An immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish savings of 25 per cent in the cost of the Federal Government.

Let me say that neither the Democratic Party nor any other will ever carry out economies to the extent of 25 per cent of the Government's expenditure without a very drastic reorganization of the Government structure, and in addition they will be compelled to reduce the veterans' allowances by \$400,000,000. Any attempt to tell the people of the country to the contrary is pure demagoguery. Any student of the question knows that that is true.

Some have said here to-day that \$100,000,000 can be saved by a consolidation of the Army and the Navy. A year ago I studied every activity of the Army and the Navy with a view to ascertaining what could be accomplished in that direction. This study was incorporated in the hearings of the Committee of Expenditures, and showed that the utmost possibility of such a consolidation was a saving of less than \$25,000,000. That is a sizable saving, and I supported the proposed consolidation. In fact, I introduced a bill in the last Congress to bring about this consolidation and again on the opening day of the first session of this Congress. It was not until some time later that the gentleman from Tennessee [Mr. BYRNS] became interested and introduced a similar bill. The President has been chided in this debate and many times before upon this floor because he left to the last days of his administration the matter of reorganizing the Government departments.

A more unfair and unjust charge was never made upon this floor. The President ever since he entered the Cabinet 12 years ago to this good day has advocated consolidation along intelligent lines, along lines similar to those advocated by every student of the question for the last 25 years, along lines advocated by the joint committee on reorganization of the Senate and House, which made an elaborate report

to Congress in 1924, along lines advocated by every committee of the House and Senate that has studied the question, along lines advocated by President Harding and his Cabinet, and when Members are trying to make it appear to the country that the President has not done his duty with regard to reorganization they are not only misrepresenting what he has done but are charging him with delinquencies which do not exist.

If those charging the President with delay had taken the trouble to go through the President's messages to Congress since he has been in the White House, they would have found at least a dozen messages dealing with reorganization, and in every one of them he has insisted on the Congress doing something in the way of reorganizing the Government structure in order to rid it of duplication and overlapping of services and to effect economies.

Many say that he has not gone into detail with respect to what should be done. Had these critics been as anxious to ascertain what the President in fact has advocated as they have been to find fault, they would be better advised.

It is contended now, and it was contended in the last session, that the President had not asked Congress to give him authority to reorganize. This, of course, is contrary to the facts. In the very first message which the President submitted at the regular session in December, 1929, after reviewing in detail the attempts that had been made to reorganize, he expressly requested that the Executive be given authority to reorganize the Government structure. He gave his reasons why he thought the President should be given that authority, and indicated what the President would do in that connection if the authority were given to him. We knew then, four years ago, just as much as we do now, what the President's plan was. He then stated:

With this background of all previous experience I can see no hope for the development of a sound reorganization of the Government unless Congress be willing to delegate its authority over the problem (subject to defined principles) to the Executive, who should act upon approval of a joint committee of Congress or with the reservation of power of revision by Congress within some limited period adequate for its consideration.

You will find that on two subsequent occasions he made a similar request. On February 17 last he sent a special message to this Congress again asking that authority be given him to reorganize the Government structure, and in that message laid down in detail the principles upon which he proposed to proceed and set out the specific new units that should be established and the new offices that should be created. These were the new divisions and offices into which he proposed to consolidate numerous existing activities. That information was available to the Committee on Expenditures, and it was known to the Economy Committee, of which the distinguished gentleman from Alabama [Mr. McDUFFIE] was the chairman, and upon which I had the honor to serve.

Mr. McDUFFIE. Mr. Speaker, will the gentleman yield? Mr. WILLIAMSON. Yes.

Mr. McDUFFIE. The gentleman does not mean to say that the President ever, on any occasion before the committee called on him for specific recommendations, attempted to go into details as to what mergers and combinations and what eliminations might be had in the Government service?

Mr. WILLIAMSON. Oh, the gentleman is begging the question. No President could in advance say how every detail of reorganization could be perfected. All you could expect of him and all you have a right to expect is a general outline of reorganization, and if you look at the President's message of February 17 you will find the general outline. Once the new units have been established into which the old are to fit, the President is at liberty to reorganize as he sees fit. This power is inherent in the Executive, but legislative power is essential to authorize him to make the necessary transfers and to consolidate the assembled activities. When assembled he has plenary power to complete the internal amalgamation and reorganization to make the consolidation effective. The authority to consolidate was only given last spring on June 30, and within four days after the open-

ing of this session his plan was submitted in detail. It could not have been submitted before the first day of the session. How then could the President have acted with more promptness? Gentlemen get up on this floor and say that they are opposed to this, that, or the other thing, but that is no justification for turning down the whole program. This program, by and large, is the soundest piece of constructive work that has ever been done in the way of reorganization. It matters little that you may disagree with a thing here or there. Everyone knows that the new President on March 4, if he sees fit, may take any unit, like the Army engineers, about whom so many seem concerned, and put it back where it is now if he is not satisfied with the organization proposed by President Hoover, but a difference of opinion on one matter is no justification and no excuse for turning down the entire reorganization program.

I was amused at the discussion of the Democratic floor leader on this floor when he referred to the Executive order respecting the General Accounting Office. He apparently had little comprehension of what the Executive order means or what it does. None of the essential functions of that office are taken away from it. Its duty to audit and pass upon the legality of all claims remains. May I say to my Democratic friends they are doing the new President an ill turn by overturning the Executive orders.

Mr. McDUFFIE. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMSON. No. I have not the time. No greater service can be performed by this Congress or by the President of the United States than to turn over to the new Executive at least a skeleton plan of reorganization that he can use as a basis for further reorganization during the four years that he is in office. I say to you now that when you get your cabinet in office, when you get your organization going, the President, unless he has more backbone than I think he has, will never be able to reorganize the Government to the extent necessary to achieve the results promised by the Democratic platform. [Applause on Republican side.]

Mr. Speaker, I ask unanimous consent that all Members of the House, including those who have spoken upon the resolution, to-day, may have five legislative days within which to extend their own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, I yield the remainder of my time to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, as an advocate of consolidation, regrouping, and the elimination of bureaucracy I favor the resolution under consideration. There has been some bandying, much evasion, and much discussion between the Executive and the Congress as to the responsibility for bureaucracy. When all has been said and done, the Executive is primarily responsible for bureaucracy, and the evils and extravagances of its continuance must be placed at the door of the Executive. It has been said that the President is without power or authority to transfer an executive agency from one department to another. It has also been maintained that the President has the power to establish an agency or a new bureau within an executive department. The President asserted that having established a bureau, he had no authority to abolish or to eliminate. He urged Congress to grant him authority and he promised economies. For the first time the Congress in June, 1932, met the Executive half way, and the economy act provided that the President might transfer, might regroup, might consolidate, and might redistribute the functions of the executive agencies. Inasmuch as the Congress had been invited to give him the authority, the Congress asked that it be permitted to share in the execution of the responsibility, and so the economy act provided that the Executive orders should be submitted to Congress for approval or disapproval.

Congress did something else. The economy act went farther and provided for certain consolidations, for certain eliminations, and certain transfers to which I will refer in a few minutes.

RECOMMENDATIONS

The advocates of the great constructive consolidations, to which the gentleman from South Dakota [Mr. WILLIAMSON] referred, in the Executive orders, can find but little comfort in the orders of the President and his message transmitting the orders to the Congress. That document consists of 76 pages; and the words of the President of the United States, transmitting those constructive measures, are contained within less than 1 of the 76 pages. His message comprises 8 pages. The greater part of the 8 pages is taken up with an enumeration of the consolidations. The President's own language and recommendations are contained in less than a page. In support of the consolidation he concludes his message by saying in substance:

I herewith transmit to you a discussion prepared by the Bureau of the Budget on the proposed transfers.

HERBERT HOOVER EXTRAVAGANT

These consolidations are very largely the work of the Budget and not of the great administrator, the present Chief Executive of the United States, who, with all of his splendid administrative career, is certainly not famous for economy, for he has spent not only donations but appropriations, and in one of his latest messages to Congress has asked that the consumers of the country pay a further tax to provide additional moneys for appropriations.

DEPARTMENT OF COMMERCE

The tendency of the executive departments is toward increased bureaucracy. The President of the United States was Secretary of Commerce for eight years. He had authority in his department to redistribute functions and to eliminate useless bureaus. What is his record? What economy did he promote? What expenditures did he eliminate? It is easy enough to preach economy from consolidations; it is another thing to practice economy.

The expenditures in the Department of Commerce for the year 1921, the first year of Mr. Hoover's administration as Secretary, were \$25,892,000. In 1928, the last year of his administration, the expenditures were \$34,324,000, and in the year 1932 the expenditures were \$51,854,000.

In the year 1924 the Bureau of Patents was transferred from the Department of the Interior to the Department of Commerce. The appropriations for the year 1924 were \$2,308,000. What economy was effected? In 1928 the expenditures were \$2,765,000. The Bureau of Mines was transferred from the Department of the Interior to the Department of Commerce in 1925, and yet there was no substantial decrease in expenditures in 1928. Mere transfer is not synonymous with economy. Executive orders such as those under consideration are on all fours with the transfers just mentioned. There must be eliminations and abolition of offices and agencies before economies will result.

MERE TRANSFERS

It is universally conceded that the message under consideration proposes nothing more nor less than a transfer from one department or from one agency to another, and that in and of themselves the consolidations carry no economy whatsoever. If there be any change or difference, it means the creation of additional secretaries of the departments, with additional salaries.

NO ECONOMY

It is also universally conceded that there can be no economy until there has been a redistribution in the bureaus that have been consolidated and the agencies that have been united.

Mr. Speaker, this message was transmitted to Congress on December 9. Sixty days must elapse. Nothing can be done by the Executive, no proposed economies can be effected prior to February 10. Can the present Chief Executive be relied upon to perfect any economies in 20 days? Let the record speak for itself. The Congress of the United States, in the economy act last year, after making certain transfers and consolidations as I have stated, gave the Chief Executive the power and authority to eliminate and redistribute functions. Much has been said about economy in the War and Navy Departments. I call attention to the

fact that under section 407 of the economy act the President of the United States was given the power and authority to merge such activities in the War and Navy Departments as are not of a purely military nature. It has been claimed from time to time that the chief economies in those two departments would result from a consolidation of the purchasing agencies of those two departments. In no partisan spirit, but in a calm, clear analysis of the situation that now confronts the Congress, let me ask, Can the Chief Executive of the Nation, who, in six months, has been unable to make any sort of eliminations or economies in those two great departments of the Government, be relied upon or expected to effect any economies by the proposed consolidation?

Nor is that all. He was also given power to make eliminations and consolidations and redistributions in the public health and education activities; yet without having to submit his reports or orders to Congress, without having to have those consolidations approved by Congress, the President, under the authority given to him, has not recommended a single economy, or made a single elimination, or abolished a single office, or saved a single dollar.

Furthermore, the economy act itself provided for certain consolidations or certain transfers. The Executive has the authority to redistribute and to economize in the Bureau of Navigation and Steamboat Inspection. What is the record? If there has been any elimination or economy, it has been the substitution of one letterhead for two letterheads. I take the record as I find it. We have had enough misrepresentation about consolidations.

It has been said that the Committee on Expenditures has not functioned. The committee reported last session a bill for the establishment of a department of public works. It was embraced in the economy act as it passed this House.

The committee reported a bill for the consolidation of the Personnel Classification Board with the Civil Service Commission. That bill was likewise embraced and included in the economy bill as it passed this House. Moreover, part of that feature of the work of the Committee on Expenditures is in the present economy act. I challenge any advocate of the proposed consolidations to point out where the President of the United States, by Executive order or otherwise, where he now has authority, has redistributed any functions or abolished any position so as to effect any economy.

UNDESIRABLE CONSOLIDATIONS

Mr. Speaker, that is not the whole story. Some at least of the proposed consolidations, to which the President of the United States devoted a few brief paragraphs in his message, were hastily and carelessly drawn by the Director of the Budget. The gentleman from Illinois [Mr. RAINEY] has already referred to the matter of the transfer of the General Accounting Office to the Bureau of the Budget. Extravagance and expenditures would be promoted by the transfer. I now call attention to the fact that one of the most controversial features—and at the same time one of the major problems embraced in this group of consolidations—is the matter of the detailing of the Army engineers from the War Department to the Department of the Interior, expending, as they do, millions and millions of dollars every year for river and harbor and flood-control works.

To show you the haste, even the inefficiency, with which these consolidations were made and these groupings recommended, it is said that the work of flood control is to be transferred from the War Department to the Department of the Interior; that the Army engineers are to be thus utilized in the Department of the Interior. We have nothing to go by except the Executive order. Just to show you the haste, the inefficiency, and the carelessness of these consolidations I call attention to the fact that on page 21 of the message of the President, where the Army engineers for river and harbor works may be detailed from the War Department to the Department of the Interior, there is absolutely no provision made for the detail of the Army engineers for flood-control work. When asked about the matter, Colonel Roop said it was an oversight or error. And yet it is said that

economy will result. Will it be economy to fail to utilize the services of the Army engineers whom the Government is paying and hire other engineers to do the work they are now doing and that they have done for more than a hundred years efficiently, with never a taint of graft, with no suspicion attaching to their splendid and efficient record through the years?

THE WISE COURSE

The responsibility for the execution, for the redistribution of the authority, is upon the next President of the United States. If President Hoover had succeeded himself, the case might be different, but inasmuch as everyone who knows anything about the matter of regrouping and consolidation agrees that economies can only result from regroupings and from the redistribution of functions and from the elimination of offices. I submit that the President of the United States, who is charged with the responsibility, ought to have the power in the first place to make the groupings and to make the transfers. I maintain that his power, that his authority, will be hindered rather than helped by these transfers.

Suppose President Roosevelt is not satisfied with the transfer of an agency from one department to another. He must then come to Congress and ask for authority to regroup and retransfer. Is it not the part of wisdom, is it not the part of good statesmanship, to give him the authority in the first place to do the regrouping as well as the redistributing and the eliminating?

THE PROBLEM

It is not a matter of partisan politics. It is a question of making consolidations, redistributing functions, and thus making economies. The country is vitally interested in consolidations and in the elimination of useless bureaus and commissions. Mere Executive orders transferring a bureau from one department to another will not effect economies. There must be the abolition of offices as well as the elimination of functions.

OBJECTIONS TO PROPOSED CONSOLIDATIONS

As I have stated, if President Hoover had been reelected to succeed himself, he would have had the power to redistribute the functions. But the case is different. The situation has been changed. His administration has been discredited. He has failed. Shall he be given a power to hinder his successor in making the economies to which President-elect Roosevelt is pledged?

I believe that the Executive has the power to abolish within any executive department any agency that he established. There is no reason for congressional action to eliminate much of the bureaucracy that obtains. If the consolidations are permitted to stand, delay in economy will result. President Roosevelt will have to submit his groupings to Congress. He might oppose some consolidations recommended by President Hoover.

CONTINUING POWER

Again, the act providing for consolidations by the President is continuing. If the proposed consolidations are approved, President Hoover or his successor can report other consolidations. In fact, the economy act requires the President to report specially at the beginning of each regular session his Executive orders for consolidation.

EXECUTIVE POWER SHOULD BE ENLARGED

Section 403 of the economy act provides for transfers, consolidations, or redistributions. The power to redistribute within a department heretofore has resided in the Executive without report to Congress. A very serious question is raised by said section 403 respecting redistribution of functions. While Congress evidently did not intend to restrict or limit the power of the Executive but intended to aid him in consolidations, it can well be argued that redistributions, as well as consolidations, must be submitted to Congress. Economy will be promoted by disapproving the consolidations and by enlarging the power of the Executive so that he may distribute functions without further congressional action. I oppose the proposed Executive orders in my effort to promote real consolidations and to advocate that the

President of the United States be given further power with respect to consolidations, redistributions of functions, and elimination of bureaus.

CONSOLIDATIONS LARGELY WITHIN DEPARTMENTS

Wide publicity has been given to the claim that the Executive orders consolidate 58 executive agencies with unestimated economies. Let us examine the orders.

Many of the consolidations are within departments. The Executive has the power to redistribute and consolidate within departments without congressional action.

He proposes to establish a division of public works in the Department of the Interior. His order provides for consolidating 15 agencies. Only six, however, are transferred from another executive department or independent establishment.

In the proposed division of education, health, and recreation 12 consolidations are recommended. Only 5 of the 12 are to be transferred from another executive or independent department to the Department of the Interior. Most of the consolidations are within the department.

In the division of land utilization seven bureaus are grouped in the Department of Agriculture. Only two of the seven are transferred from another executive department. There has been too much evasion by the Executive. It is his responsibility to eliminate the waste and extravagance of bureaucracy.

Again, a merchant marine in the Department of Commerce is established. Nine agencies are consolidated. Three of the agencies, however, are already in the Department of Commerce and, I maintain, could be consolidated without congressional approval.

With deference, there is much that is misleading in the proposed consolidations. In the division of public works seven of the agencies transferred are retained in an advisory capacity. If they should be transferred, if economy will result, why retain the agency? What service can they render if deprived of their power?

BUREAUCRACY EXECUTIVE RATHER THAN LEGISLATIVE

Executive agencies result from Executive orders. While Congress can not entirely escape blame, bureaus and agencies after all are set up by Executive orders and not by legislative acts. But I am interested in results. I favor reduction in expenditures, no matter where the fault lies.

STATUTORY AGENCIES

The economy act prohibited the President from abolishing statutory agencies. He was requested to report any statutory agencies that should be abolished. As proof of my statement that bureaucracy is the result of the Executive activities the President recommended the abolition of only four immaterial agencies established by legislative act. The appropriations for these agencies are insignificant. The only legislative agencies among all the 58 consolidations whose abolition he recommends are: Office of Public Buildings and Public Parks to be transferred to the Commissioners of the District of Columbia; the abolition of the Employees' Compensation Commission; the abolition of the board of trustees of National Training School for Boys, with the transfer of these functions to the Board of Public Welfare of the District of Columbia.

As I stated in the beginning, the Executive has undertaken to shift the responsibility to Congress, but the fact that he only recommends the abolition of four relatively unimportant agencies shows that after all the Executive who established should abolish.

SOLUTION

What is the solution of the problem? Numerous consolidations have been proposed. I favor many of them. I oppose others, especially transferring river and harbor and flood-control work from the War Department to the Interior Department. It is evident that the wise course is to empower the Executive to make consolidations and to give him authority to effectuate economies. As I have stated, certain consolidations were made in the economy act by Congress. Congress had previously consolidated the Pension Bureau and the Bureau of Veterans' Affairs; but after all the consolidations can best be effected by giving the

President the power, as well as the responsibility, for consolidations.

Col. J. C. Roop, the Director of the Budget, made the consolidations. He was the chief witness before the Committee on Expenditures. The President commended his decisions and adopted his discussions as his own reasons for the Executive orders. By whom does he, the Director of the Budget, say the consolidations should be made? In response to a question by the chairman of the Committee on Expenditures, as shown by page 25 of the hearings, when asked if he did not think it would be advisable for the President who was to effectuate consolidations to make the recommendations, he frankly stated: "Personally, I think it would be wise."

The adoption of the resolution will give to President-elect Roosevelt, who will be expected to abolish and eliminate, the authority to make consolidations. The elimination of bureaucracy with its waste and extravagance will thus be promoted. The President who will be charged with the responsibility should have the power to order the transfers and consolidations, that he may redistribute functions, make eliminations, prevent duplications, and thus reduce expenditures, increase efficiency, and effect economies in government. [Applause.]

[Here the gavel fell.]

The SPEAKER. The time of the gentleman from Mississippi has expired. All time has expired.

The previous question is ordered under the rule.

Mr. SCHAFER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Wisconsin offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. SCHAFER moves to recommit the bill to the Committee on Expenditures in the Executive Departments with instructions to consider each Executive order separately on its individual merits.

Mr. COCHRAN of Missouri. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

Mr. WILLIAMSON. Mr. Speaker, upon that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 176, nays 202, answered "present" 1, not voting 47, as follows:

[Roll No. 148]

YEAS—176

Adkins	Coyle	Hoch	Nolan
Aldrich	Crall	Hogg, W. Va.	Parker, N. Y.
Allen	Crowther	Hollister	Partridge
Amie	Culkin	Holmes	Perkins
Andresen	Curry	Hooper	Person
Andrew, Mass.	Darrow	Hope	Pittenger
Andrews, N. Y.	Davenport	Hopkins	Pratt, Harcourt J.
Arentz	Davis, Pa.	Houston, Del.	Purnell
Bacharach	De Priest	Hull, William E.	Ramseyer
Bachmann	Doutrich	Jenkins	Ransley
Baldrige	Dowell	Johnson, S. Dak.	Reed, N. Y.
Barbour	Dyer	Kading	Rich
Beedy	Eaton, Colo.	Kahn	Robinson
Biddle	Eaton, N. J.	Kelly, Pa.	Rogers, Mass.
Bohn	Englebright	Ketcham	Sanders, N. Y.
Bolleau	Erk	Kinzer	Schafer
Bolton	Estep	Knutson	Schneider
Brand, Ohio	Evans, Calif.	Kopp	Seger
Britten	Finley	Kurtz	Seiberling
Brumm	Fish	Lambertson	Shott
Burdick	Foss	Lankford, Va.	Shreve
Burtress	Frear	Leavitt	Sinclair
Cable	Free	Leibach	Smith, Idaho
Campbell, Iowa	French	Loofbourov	Snell
Campbell, Pa.	Garber	Lovette	Snow
Carter, Calif.	Gibson	Luce	Stafford
Cavicchia	Gifford	McClintock, Ohio	Stalker
Chindblom	Gilchrist	McGugin	Stokes
Chiperfield	Goss	Maas	Strong, Kans.
Christgau	Guyer	Magrady	Strong, Pa.
Christopherson	Hadley	Mapes	Stull
Clague	Hall, Ill.	Martin, Mass.	Sullivan, Pa.
Clancy	Hall, N. Dak.	Michener	Summers, Wash.
Clarke, N. Y.	Hancock, N. Y.	Millard	Swanson
Cochran, Pa.	Hardy	Moore, Ohio	Swick
Cole, Iowa	Hartley	Murphy	Swing
Colton	Haugen	Nelson, Me.	Taber
Connolly	Hawley	Nelson, Wis.	Taylor, Tenn.
Cooper, Ohio	Hess	Niedringhaus	Temple

Thatcher
Thurston
Timberlake
Tinkham
Treadway

Turpin
Underhill
Wason
Watson
Weeks

Welch
White
Wigglesworth
Williamson
Withrow

Wolcott
Wolfenden
Wood, Ind.
Woodruff
Wyant

NAYS—202

Allgood
Almon
Arnold
Auf der Heide
Ayres
Bankhead
Barton
Beam
Black
Bland
Blanton
Bloom
Boehne
Boland
Boylan
Briggs
Browning
Brunner
Buchanan
Bulwinkle
Burch
Busby
Byrns
Canfield
Cannon
Carden
Carley
Cary
Castellow
Celler
Chapman
Chavez
Clark, N. C.
Coltran, Mo.
Cole, Md.
Collier
Collins
Condon
Connelly
Cooper, Tenn.
Corning
Cox
Cross
Crosier
Crowe
Crump
Cullen
Davis, Tenn.
Delaney
DeRouen
Dickinson

Dickstein
Dies
Dieterich
Disney
Dominick
Doughton
Douglass, Ariz.
Doxey
Drane
Drewry
Driver
Ellzey
Eslick
Fernandez
Fiesinger
Fishburne
Fitzpatrick
Flannagan
Flood
Fuller
Fulmer
Gambrill
Gasque
Gavagan
Gilbert
Glover
Goldsborough
Granfield
Greenwood
Gregory
Griffin
Griswold
Haines
Hare
Harlan
Hart
Hastings
Hill, Ala.
Hill, Wash.
Howard
Huddleston
Jacobson
Jeffers
Johnson, Mo.
Johnson, Okla.
Johnson, Tex.
Jones
Keller
Kelly, Ill.
Kemp

Kennedy, Md.
Kennedy, N. Y.
Kerr
Kleberg
Kniffin
Kunz
Kvale
LaGuardia
Lamneck
Lanham
Lankford, Ga.
Larabee
Larsen
Lea
Lewis
Lichtenwalner
Lindsay
Loneran
Lozier
McClintic, Okla.
McCormack
McDuffie
McFadden
McKeown
McMillan
McReynolds
McSwain
Major
Maloney
Mansfield
May
Mead
Miller
Milligan
Mitchell
Moble
Montague
Montet
Moore, Ky.
Morehead
Nelson, Mo.
Norton, Nebr.
Norton, N. J.
O'Connor
Oliver, Ala.
Oliver, N. Y.
Overton
Palmisano
Parker, Ga.
Parks
Parsons

Patman
Patterson
Peavey
Pettengill
Polk
Pou
Prall
Ragon
Rainey
Ramspeck
Rankin
Rayburn
Rellly
Rogers, N. H.
Romjue
Sabath
Sanders, Tex.
Sandlin
Schuetz
Shallenberger
Shannon
Sirovich
Smith, Va.
Smith, W. Va.
Somers, N. Y.
Spence
Steagall
Stevenson
Stuphin
Swank
Sweeney
Tarver
Taylor, Colo.
Thomason
Tierney
Underwood
Vinson, Ga.
Vinson, Ky.
Warren
West
Whittington
Williams, Mo.
Williams, Tex.
Wilson
Wingo
Wood, Ga.
Woodrum
Wright
Yon

ANSWERED "PRESENT"—1

Hogg, Ind.

NOT VOTING—47

Abernethy
Bacon
Beck
Bowman
Brand, Ga.
Buckbee
Carter, Wyo.
Cartwright
Chase
Cooke
Evans, Mont.
Freeman

Fulbright
Gillen
Golder
Goodwin
Green
Hall, Miss.
Hancock, N. C.
Holaday
Hornor
Horr
Hull, Morton D.
Igoe

James
Johnson, Ill.
Johnson, Wash.
Lambeth
Ludlow
McLeod
Manlove
Martin, Oreg.
Mouser
Owen
Pratt, Ruth
Reid, Ill.

Rudd
Selvig
Simmons
Sparks
Stewart
Sullivan, N. Y.
Summers, Tex.
Weaver
Whitley
Wolverton
Yates

So the motion to recommit was rejected.

The Clerk announced the following additional pairs.

On this vote:

Mrs. Pratt (for) with Mr. Martin of Oregon (against).
Mr. Wolverton (for) with Mr. Stewart (against).
Mr. Hogg of Indiana (for) with Mr. Gillen (against).
Mr. Buckbee (for) with Mr. Rudd (against).
Mr. Manlove (for) with Mr. Brand of Georgia (against).
Mr. Bacon (for) with Mr. Hall of Mississippi (against).
Mr. Johnson of Washington (for) with Mr. Hornor (against).
Mr. James (for) with Mr. Hancock of North Carolina (against).
Mr. Selvig (for) with Mr. Lambeth (against).
Mr. Carter of Wyoming (for) with Mr. Igoe (against).
Mr. Beck (for) with Mr. Sullivan of New York (against).
Mr. Whitley (for) with Mr. Abernethy (against).
Mr. Golder (for) with Mr. Ludlow (against).
Mr. Freeman (for) with Mr. Fulbright (against).
Mr. McLeod (for) with Mr. Green (against).
Mr. Simmons (for) with Mr. Weaver (against).
Mr. Holaday (for) with Mr. Reid of Illinois (against).
Mr. Mouser (for) with Mr. Cartwright (against).
Mr. Yates (for) with Mrs. Owen (against).
Mr. Cooke (for) with Mrs. Evans of Montana (against).
Mr. Horr (for) with Mr. Summers of Texas (against).

Mr. HOGG of Indiana. Mr. Speaker, my colleague the gentleman from Indiana, Mr. GILLEN, is unavoidably absent. I am paired with the gentleman and desire to withdraw my vote and answer "present."

Mr. LOOFBOUROW. Mr. Speaker, the gentleman from Washington, Mr. HOGG, has requested me to announce that he is unavoidably absent. If present, he would vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GROUPING, COORDINATING, AND CONSOLIDATING OF EXECUTIVE AND ADMINISTRATIVE AGENCIES OF GOVERNMENT—EXTENSION OF REMARKS

Mr. LANKFORD of Georgia. Mr. Speaker, all agree that all unnecessary bureaus, commissions, and boards should be abolished, but we do not all agree on the list of those that are unnecessary. The task of determining which are unnecessary is about as difficult as it would be to get everybody to determine unanimously which children in the neighborhood are unnecessary or which religious denominations in the country should be eliminated. Might as well try to get a bunch of children to unanimously agree which of their pet dogs should be put to death; every boy likes his own dog best.

Most bills here either create new bureaus, commissions, or boards, eliminate them, or give more power to them, or take part of their prerogatives from them. The real fight is over the merits or demerits of these agencies of the Government.

One thousand men may run for Congress and every one of them emphatically declare against unnecessary bureaus, commissions, and boards, and yet no two of the candidates have in mind the same bureaus or boards or commissions against which they mean to declare their opposition. Each is against what he does not like and for what he likes, and the likes and dislikes of no two are the same. It is a wonderful promise to make by one who does not wish to make his position clear; nobody knows what he means, and yet all may feel that the candidate is probably opposed to the same things he is opposed to and for the same things he is for; all of which is a mistake, for the likes and dislikes of no two people are often, if ever, identical.

This kind of general promises always reminds me of the political leader who said: "If a thing is good and everybody is for it, I am for it; and if it is bad and everybody is against it, I am against it."

I have said this much to show just how difficult it is to consolidate or eliminate bureaus, and not because I am against a proper program along this line. With one breath candidates and Members of the House rail against bureaus and commissions, and with the next breath advocate a measure providing for additional and hitherto unheard-of powerful bureaus with thousands of expensive and unnecessary employees.

The true Representative must with greatest diligence watch every measure that is proposed here, if he is to honestly and intelligently help carry on the mighty fight against oppressive and unnecessary bureaus and in favor of those agencies which are rendering a real service to the people of our Nation. I am glad that the last Democratic platform has such a strong pronouncement along this line in language as follows:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 per cent in the cost of the Federal Government.

I am very much in favor of this policy, not only because it is a part of the platform of my party but because it is right. I have boundless faith in President-elect Roosevelt and shall do everything in my power to give him a free hand to bring about, to the fullest extent, the performance of this solemn promise.

Too many such declarations were made in party platforms and never kept; too many candidates make such promises only to get votes and with no purpose of rendering real service by such a policy. I feel that the Democratic Party will keep its promise in this respect and thus render a

most splendid service. I have always fought for a proper policy along this line and am now in most hearty accord with my party in this respect.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—WASHINGTON MONUMENT GROUNDS (H. DOC. NO. 528)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on the Library and ordered printed with illustrations.

To the Congress of the United States:

I transmit herewith the report on the Washington Monument Grounds authorized by the independent offices act of 1931, together with several plans and estimates therefor.

I wish to add that I am in accord with the conclusions of this report.

HERBERT HOOVER.

THE WHITE HOUSE, January 19, 1933.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 2 minutes p. m.) the House adjourned until to-morrow, Friday, January 20, 1933, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, January 20, 1933, as reported to the floor leader:

NAVAL AFFAIRS

(10.30 a. m.)

Hearings—Cost of airplane carrier.

MERCHANT MARINE, RADIO, AND FISHERIES

(10.30 a. m.)

Continue hearings on S. 4491, to regulate intercoastal carriers.

LABOR

(10 a. m.)

Continue hearings on 5-day-week and 6-hour-day proposals.

INSULAR AFFAIRS

(10.30 a. m.)

Continue hearings on Samoa bill.

PUBLIC BUILDINGS AND GROUNDS

(10.30 a. m.)

Hearings—Binghamton post office.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

873. A letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to the rivers and harbors act of August 8, 1917, on preliminary examination and survey of Black River, Ark. and Mo., together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

874. A communication from the President of the United States, transmitting a report on the Washington Monument Grounds authorized by the independent offices act of 1931, together with several plans and estimates therefor (H. Doc. No. 528); to the Committee on the Library and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 13770. A bill to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484); with

amendment (Rept. No. 1880). Referred to the Committee of the Whole House on the state of the Union.

Mr. GASQUE: Committee on the District of Columbia. H. R. 12595. A bill to amend the teachers' salary act of the District of Columbia, approved June 4, 1924, as amended, in relation to establishing the Wilson and Miner Teachers Colleges on a basis comparable with recognized standards for accredited institutions of like kind; to raising the trade or vocational schools to the level of junior high schools, and for other purposes; with amendment (Rept. No. 1881). Referred to the Committee of the Whole House on the state of the Union.

Mr. GASQUE: Committee on the District of Columbia. S. 100. An act to amend section 586c of the act entitled "An act to amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions," approved March 2, 1929; without amendment (Rept. No. 1882). Referred to the House Calendar.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 11735. A bill to permanently set aside certain lands in Utah as an addition to the Navajo Indian Reservation, and for other purposes; with amendment (Rept. No. 1883). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 13007. A bill providing for the restoration of an Indian agent for the Lower Brule Indian Reservation; without amendment (Rept. No. 1884). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHAVEZ: Committee on Irrigation and Reclamation. H. R. 13918. A bill to extend the operation of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law," approved April 1, 1932; with amendment (Rept. No. 1885). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARE (by request): A bill (H. R. 14319) to provide a civil government for the Virgin Islands of the United States; to the Committee on Insular Affairs.

By Mr. HOWARD: A bill (H. R. 14320) to authorize the change of homestead designations on allotted Indian lands; to the Committee on Indian Affairs.

By Mr. ALMON: A bill (H. R. 14321) to authorize the Secretary of the Treasury, in his discretion, to acquire a new site in Huntsville, Ala., and to construct a building thereon for the accommodation of the courts, post office, and other Government offices; to the Committee on Public Buildings and Grounds.

By Mr. ROBINSON: A bill (H. R. 14322) providing for loans or advances by the Reconstruction Finance Corporation, through its regional credit corporations, to farm mortgagors to enable them to lower the rate of interest on their farm-mortgage loans and to secure the postponement of the foreclosure of farm mortgages for a period of five years, and for other purposes; to the Committee on Banking and Currency.

By Mr. McREYNOLDS: A bill (H. R. 14323) authorizing an appropriation to the Government of China for the account of Li Po-tien; to the Committee on Foreign Affairs.

By Mr. MOREHEAD: Resolution (H. Res. 356) limiting funeral expenses for Members of Congress; to the Committee on Accounts.

By Mr. BOYLAN: Resolution (H. Res. 357) directing that the pamphlet entitled "The Uses of Alcohol as an Essential Chemical in the Arts, Sciences, and Industries" be printed as a House document; to the Committee on Printing.

By Mr. MEAD: Joint resolution (H. J. Res. 563) to provide for a change of site of the Federal building to be constructed in Binghamton, N. Y.; to the Committee on Public Buildings and Grounds.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of Connecticut, memorializing Congress concerning national defense; to the Committee on Military Affairs.

Memorial of the Legislature of the State of Minnesota, memorializing Congress to pass the farmers' farm relief act, commonly called the Frazier bill; to the Committee on Banking and Currency.

By Mr. McMILLAN: Memorial of the Legislature of the State of South Carolina, petitioning Congress to enact necessary legislation for the remonetization of silver and for the removal of excessive tariff rates; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACK: A bill (H. R. 14324) for the relief of certain disbursing officers of the Army of the United States and for the settlement of an individual claim approved by the War Department; to the Committee on Claims.

Also, a bill (H. R. 14325) to authorize settlement, allowance, and payment of certain claims; to the Committee on Claims.

By Mr. COLLIER: A bill (H. R. 14326) for the relief of Eleanor Wright and William Wright, minor children of Donnie Wright, deceased; to the Committee on Claims.

By Mr. CRAWL: A bill (H. R. 14327) to authorize the presentation of the congressional medal of honor to Emile Genereux, formerly of the United States Army; to the Committee on Military Affairs.

By Mr. FIESINGER: A bill (H. R. 14328) granting a pension to Charles Lyons; to the Committee on Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 14329) granting a pension to Elizabeth A. Blades; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 14330) granting a pension to John A. Cole; to the Committee on Pensions.

By Mr. KENNEDY of New York: A bill (H. R. 14331) for the relief of the J. M. Dooley Fireproof Warehouse Corporation, of Brooklyn, N. Y.; to the Committee on Claims.

By Mr. LEHLBACH: A bill (H. R. 14332) to renew and extend certain letters patent; to the Committee on Patents.

Also, a bill (H. R. 14333) for the relief of Michael Giannetti; to the Committee on Claims.

By Mr. SWING: A bill (H. R. 14334) for the relief of Harry C. Bertolucci; to the Committee on Naval Affairs.

By Mr. THATCHER: A bill (H. R. 14335) making Henry B. Morehead eligible to receive the benefits of the civil service retirement act; to the Committee on the Civil Service.

By Mr. UNDERWOOD: A bill (H. R. 14336) granting an increase of pension to Samuel Curry; to the Committee on Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 14337) for the relief of John Henry Tackett; to the Committee on Claims.

Also, a bill (H. R. 14338) granting a pension to Addie Hall; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9674. By Mr. BOYLAN: Resolutions adopted by the State senate, Albany, N. Y., favoring the Wagner resolution to remove all limitations on the amount which may be lent to States for relief purposes, etc.; to the Committee on Banking and Currency.

9675. By Mr. BRITTEN: Resolution passed by the North Side Citizens Club, October 26, 1932, in Chicago, Ill., requesting more employment for Negroes; to the Committee on Ways and Means.

9676. By Mr. FITZPATRICK: Petition of the Legislature of the State of New York, urging the passage of Senator WAGNER's bill providing for seven significant changes in the

relief law of the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

9677. By Mr. GARBER: Petition of the Cleveland County (Okla.) Good Government Club, Norman, Okla., condemning the Glass banking bill and urging opposition to its enactment; to the Committee on Banking and Currency.

9678. Also, petition of the National Committee on Education by Radio, calling attention to proposed amendment to the radio act of 1927, embodied in House bill 7716, and urging careful consideration; to the Committee on Merchant Marine, Radio, and Fisheries.

9679. Also, petition of the National Building Granite Quarries Association, giving certain information in regard to the granite or marble business pertinent to the consideration of Senate Joint Resolution 226; also letter from Fellow Bros., Granite, Okla., urging support of Senate Joint Resolution 226; to the Committee on Appropriations.

9680. Also, petition urging support of railway pension bills, Senate bill 4646 and House Resolution 9891; to the Committee on Interstate and Foreign Commerce.

9681. By Mr. GRIFFIN: Resolution of the Legislature of the State of New York, urging enactment of Wagner bill to liberalize loans to States by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

9682. By Mr. GOLDSBOROUGH: Petition of residents of Greensboro and Marydel, Md., and Harrington, Del., supporting the eighteenth amendment as the best solution to the liquor question yet advocated; to the Committee on the Judiciary.

9683. By Mr. HAINES: Resolution adopted by the Woman's Christian Temperance Union of St. Thomas, Pa., presented at the request of its members; to the Committee on the Judiciary.

9684. By Mr. HOWARD: Resolution submitted by the Columbus National Farm Loan Association of Columbus, Nebr., opposing foreclosures under this distressed agriculture depression and requesting that it be presented to the House of Representatives; to the Committee on Agriculture.

9685. Also, resolution adopted at the annual meeting of the members of the Rose-Hill National Farm Loan Association, urging immediate passage of the Frazier bill (S. 1197) for needed relief to the American farm borrower, requesting that same be presented to the House of Representatives and referred to proper committee; to the Committee on Agriculture.

9686. Also, resolution respecting bimetallic currency, and urging the Congress to favorably consider the Wheeler bill (S. 2487) now before the Committee on Finance in the United States Senate; to the Committee on Coinage, Weights, and Measures.

9687. Also, resolution submitted by the Burt County National Farm Loan Association, signed by Axel H. Gilbert, president, and Loyd Lawrence, secretary-treasurer, requesting that same be presented to the House of Representatives; to the Committee on Agriculture.

9688. By Mr. LAMBERTSON: Petition of Mrs. E. P. Ashley and other citizens of Kansas City, Kans., opposing any measure of repeal, nullification, or modification of the eighteenth amendment, and urging adequate appropriations for the enforcement thereof; to the Committee on the Judiciary.

9689. By Mr. LINDSAY: Petition of Peter Henderson & Co., seedsmen, New York City, favoring 2-cent first-class letter rate; to the Committee on Ways and Means.

9690. By Mr. MILLARD: Petition signed by residents of New Rochelle, Hastings on Hudson, and Larchmont, in the State of New York, protesting against the proposed cut in the War Department appropriation bill to eliminate citizens' military training camps; to the Committee on Appropriations.

9691. By Mr. ROBINSON: Petition of Martha Elizabeth Roseland, chairman, and Elizabeth Moore, secretary, of the Dunbar Union of the Marshall County Woman's Christian Temperance Union, protesting against the repeal of the eighteenth amendment or modification of the Volstead Act and urging the passage of legislation for adequate appro-

priations to enforce prohibition; to the Committee on the Judiciary.

9692. Also, resolution by the members of the First National Farm Loan Association, of Belmond, Iowa, forwarded by R. E. Courson, secretary-treasurer, regarding the farm-loan situation and requesting a reduction of charges on loans, legislation to bring about higher farm prices, and the refinancing of farm mortgages at a lower rate of interest; to the Committee on Banking and Currency.

9693. Also, resolution by the members of the First National Farm Loan Association, of Eagle Grove, Iowa, forwarded by Hallvard Kloster, secretary-treasurer, favoring House bill 13189, for the refinancing of farm-mortgage loans at a lower rate of interest and the consolidation of the joint-stock land-bank system with the Federal land banks, also requesting better service from the Federal land banks and that they be required to keep off the market lands acquired by them under foreclosure proceedings; to the Committee on Banking and Currency.

9694. By Mr. STRONG of Pennsylvania: Petition of citizens of Armstrong County, Pa., favoring the proposed amendment to the Constitution of the United States to exclude aliens, and count only American citizens, when making future congressional apportionments; to the Committee on the Judiciary.

9695. By Mr. SWING: Petition of 13 residents of Hemet, Calif., favoring the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9696. Also, petition of the members of the Seventh-day Adventist Church, Santa Ana, Calif., protesting against the passage of the beer bill, H. R. 13742, and any other legislation to legalize the manufacture and sale of alcoholic beverages; to the Committee on Ways and Means.

9697. By Mr. WATSON: Resolution adopted by the Woman's Christian Temperance Union, Lansdale, Pa., opposing the repeal of the eighteenth amendment; to the Committee on the Judiciary.

9698. By Mr. WYANT: Petition of citizens of Manor and Westmoreland City, Westmoreland County, Pa., urging support of the stop-alien representation amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9699. Also, petition of W. D. Robinson and 29 other citizens of Jeannette, Adamsburg, and Irwin, Pa., urging support of the stop-alien representation amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9700. By the SPEAKER: Petition of Eduarda K. Baltuff (Harris), making affidavit of knowledge of a conspiracy to defeat justice, the prohibition, customs, and revenue laws of the United States; to the Committee on the Judiciary.

SENATE

FRIDAY, JANUARY 20, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Blaine	Byrnes	Couzens
Austin	Borah	Capper	Cutting
Bailey	Bratton	Caraway	Dale
Bankhead	Brookhart	Connally	Davis
Barbour	Broussard	Coolidge	Dickinson
Bingham	Bulkeley	Copeland	Dill
Black	Bulow	Costigan	Fess

Fletcher	Johnson	Nye	Steiwer
Frazier	Kean	Oddie	Stephens
George	Kendrick	Patterson	Swanson
Glass	Keyes	Pittman	Thomas, Idaho
Glenn	King	Reed	Thomas, Okla.
Goldsborough	La Follette	Reynolds	Trammell
Gore	Lewis	Robinson, Ark.	Tydings
Grammer	Logan	Robinson, Ind.	Vandenberg
Harrison	Long	Russell	Wagner
Hastings	McGill	Schall	Walcott
Hatfield	McKellar	Schuyler	Walsh, Mass.
Hayden	Metcalf	Sheppard	Walsh, Mont.
Hebert	Moses	Shipstead	Watson
Howell	Neely	Smith	Wheeler
Hull	Norbeck	Smoot	White

Mr. WHITE. I desire to announce that my colleague the senior Senator from Maine [Mr. HALE] is necessarily absent.

Mr. FESS. I desire to announce that the Senator from Oregon [Mr. McNARY] is unavoidably detained.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The Senator from Montana [Mr. WHEELER] yielded the floor yesterday afternoon with the understanding that he should be recognized this morning.

FINAL ASCERTAINMENT OF ELECTORS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting, pursuant to law, copy of the certificate of the Governor of New Mexico of the final ascertainment of electors for President and Vice President in the State of New Mexico at the election of November 8, 1932, which was ordered to lie on the table.

After the Vice President laid before the Senate a memorial and resolutions, several Senators addressed the Chair.

Mr. WHEELER. I yield for the transaction of routine business.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Idaho, which was referred to the Committee on Mines and Mining:

STATE OF IDAHO,
DEPARTMENT OF STATE.

I, Franklin Girard, secretary of state of the State of Idaho, and legal custodian of the original enrolled copies of all acts passed at the various sessions of the Legislature of the State of Idaho, do hereby certify that the annexed constitute a full, true, and complete transcript of the original enrolled copy of Senate Joint Memorial No. 2, enacted by the twenty-first session of the Legislature of the State of Idaho, and filed in this office, this 14th day of January, 1933.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State. Done at Boise, the capital of Idaho, this 14th day of January, A. D. 1933.

[SEAL.]

FRANKLIN GIRARD,
Secretary of State.

IN THE SENATE.

Senate Joint Memorial No. 2 (by committee on mines and mining).

Received and filed January 14, 1933.

FRANKLIN GIRARD,
Secretary of State.

IN THE SENATE.

Senate Joint Memorial No. 2 (by committee on mines and mining)
To the Senate and House of Representatives of the Congress of the United States of America:

Your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas there has been introduced in the House of Representatives of the Congress of the United States a bill, known as H. R. 13558, which provides for the filing of notices of locations of all mineral claims in land offices of the United States. This bill provides that a duplicate notice of the location of any mining claim under the mineral laws of the United States shall be filed in the local land office of the district in which the land is situated within 90 days after location. The bill further provides that within six months after its passage notices of location of any mining claim now located under the laws of the United States must be filed in the local land office in addition to the filing required under the existing law. The bill further provides that duplicate affidavits showing proof of work performed or improvements made upon mining claims shall, in addition to filing requirements under the existing laws, be filed in the local land office within 90 days after the closing of the year in which such work was performed or improvements made. The bill further provides that in case of failure to file the duplicate notice of location or affidavit of proof within the periods required shall throw all claims open to relocation in the same manner as if no location had been made. The bill further grants to the Secretary of the Interior authority to prescribe rules and regulations